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The Changing Function Of A Bank's Municipal Portfolio

By J. A. WHITE

J. Austin White

Whether or not they like it, commercial banks are today principally investment institutions. For many months bankers have watched their loans decline while their deposits and investments soar to record heights. For the calendar year 1942, the Federal Deposit Insurance Corp. reports that total deposits of insured commercial banks increased 26.5%, total investments increased 69.9%, while total loans decreased 11.1%. As of Dec. 31, 1941, loans of such banks amounted to 27.7% of total assets, and investments to 36.5% of assets. As of Dec. 31, 1942, loans amounted

(Continued under "Ohio Municipal Comment" on page 302)

OHIO

Corporates—Municipals

Special material and items of interest with reference to dealer activities in the State of Ohio appears on page 302.

For index see page 328.

When Inflation Comes, Deflation Cannot Be Far Behind

How Can Savings, Investments and Business Be Protected Against These Destructive Forces?

By DR. IVAN WRIGHT
Professor of Economics, Brooklyn College

Dr. Ivan Wright

Every war has brought inflation. This one is proving no exception in spite of the costly control efforts. Most countries seek to avoid as much inflation as possible because inflation and deflation are usually more costly than war.

The extent of inflation always varies with the different countries and their financial policies. Inflations resulting from World War I affected the economic and commercial condition and relationships of every country in the civilized world. The currency of Germany was destroyed. That of France was devalued 80%. Many European Asiatic and South American countries devalued their currencies. The United States, British Empire countries, neutral European countries and a few other small countries escaped devaluation but none escaped some inflation and its effects.

Inflation arises from unbalanced budgets, excessive debts, depreciation of the currency, dislocated production, scarcity of goods, heavy taxes and the excessive buy-

(Continued on page 306)

"One-Man Parties" Decried As Inimical To Freedom

Prof. Raymond Moley Declares Importance Of Party And Congress To Freedom Should Be Recognized

A plea for the recognition of "the importance of party and Congress to "freedom" was made by Raymond Moley, who at the Tax Foundation Conference in New York City earlier this month, urged such recognition by those "who have already been reminded very sharply of the fact that business cannot sustain the burden that it should assume after this war, should it be compelled to surrender its essential freedom." In stressing the importance of both party and Congress to freedom, Prof. Moley told the conference that "both deserve your support, for their stake in the State and your stake in the State are interdependent."

The speaker in his remarks observed that "we have seen the disintegration of the Democratic party organization before our eyes." He continued: "We see a small group of personal servitors of the Executive giving orders to the leader of the party. And in the other party, we see a persistent effort under way to disrupt and destroy the Republican party organization as such." "Those forces in both parties that thus seek to weaken popular respect for party organization and for Congress" he added, "are forces that are inimical to ultimate freedom in America."

Raymond Moley

Prof. Moley told the gathering that "the effort to federalize our Nation under the stress of war has been so productive of mismanagement that it may be many a year before any other public leader will come forward with a new nationalism." He further finds that "the idea of States'

(Continued on page 308)

Over-the-Counter Trading On The National Securities Exchanges

By VERNON HUGHES

The proposal of the Securities and Exchange Commission to allow regional stock exchanges to list securities with "predominately intra-state markets," and the proposal to abolish the over-the-counter markets by Howard R. Taylor, President of the Baltimore Stock Exchange, deserve careful analysis by everyone interested in the securities business and in private corporate enterprise of any kind. The vexing problem of how to supervise the securities markets and particularly the over-the-counter markets "in the public interest," and to "protect the investor" will never end as long as private enterprise lasts. All securities exchanges are called "national securities exchanges" if they are registered with the Securities and Exchange Commission. This is stretching a name and no doubt provocative of misunderstandings. Most of these exchanges are regional or local and their primary interest is in local securities for local people. Any transactions in securities of national interest or in which there is a national market are governed by the transactions in these securities on the exchanges where there is a real national market. It is perhaps true that the stock

(Continued on page 312)

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Urges Abolition Of Over-The-Counter Markets

Baltimore Exchange Head In Letter To Congressmen Again Urges Removal Of Restrictions On Exchange Trading Privileges

Howard R. Taylor, President of the Baltimore Stock Exchange, has addressed another letter to members of Congress designed to acquaint them with "some pertinent facts" affecting the national securities exchanges. Mr. Taylor said it is his understanding that the SEC "was formed with the primary object of protecting the public and the result is that it is doing nothing of the kind." Citing the differences in trading by members of a legitimate exchange and "fly-by-night" brokers, Mr. Taylor said he believed the public "will best be served by a compulsory regulation that all transactions in securities be handled on designated properly supervised exchanges and that various issues, not already listed, should be allocated to such exchanges in accordance with the location of the issuing corporation."

Inasmuch as Congress has recessed until September, the Baltimore Exchange head sent the letter to the members at their homes, expressing the hope that they will now study the situation in their own communities.

Mr. Taylor's previous letter appeared in these columns July 1, page 2.

The text of his current letter, dated July 16, follows:

"Re: Securities and Exchange Commission and the Acts under which it operates, i. e., Securities Act of 1933 and the Securities Exchange Act of 1934.

"So that you may have some pertinent facts before you in connection with my letter of June 26, I am taking the liberty of writing you again.

"The Baltimore Stock Exchange

(Continued on page 328)

SEC Rule Would Make Over-Counter Issues Eligible For Unlisted Trading On Exchanges

Frank Dunne

Frank Dunne, President of the New York Security Dealers Association, in response to numerous inquiries regarding the attitude of the over-the-counter industry to the tentative proposal of the Security and Exchange Commission to exempt securities publicly held from Section 12 (a) of the Securities Exchange Act, stated that the rule if adopted would make it possible for practically all securities now traded in the over-the-counter market to become eligible for unlisted trading on the exchanges, he further stated that his association would make a thorough study of the proposal from the standpoint of its effect on the public interest and the securities business, and that the result of the study would be made known to the public and the Securities and Exchange Commission.

Chicago Clearing Corp. Elects New Officers

CHICAGO, ILL.—At the annual meeting of the Board of Directors of the Chicago Stock Clearing Corp., wholly owned subsidiary of The Chicago Stock Exchange, the following officers were elected:

Kenneth L. Smith, President.
Harold I. Kramer, Vice-President and General Manager.
Martin E. Nelson, Secretary.
Walter R. Hawes, Treasurer.
Evelynne Tortorell, Assistant Treasurer & Assistant Manager.

Miss Tortorell has been in the employ of the Chicago Stock Clearing Corp., serving in various capacities since 1930.

Keith Opens In New York

Jerome Keith has opened offices at 60 East 42nd Street, New York City, to engage in a general securities business. In the past Mr. Keith was an officer of Robert E. Leyendecker, Inc.

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James F. Quigg With Paine, Webber Firm

James F. Quigg

James F. Quigg, for 21 years associated with the Mississippi Valley Trust Company of St. Louis, now is associated with Paine, Webber, Jackson & Curtis with headquarters in the firm's Chicago office, 209 South La Salle Street. Mr. Quigg, who until recently was a member of the board of governors of the IBA, joined the Chicago office of Mississippi Valley Trust Company immediately after graduating from Northwestern University in 1922. In 1923 he was appointed manager of the bank's Kansas City office, and later in the same year was moved to the home office as a member of the municipal buying department. In 1927 he was elected an officer of the bank, and in 1936 was appointed manager of the bond department. Mr. Quigg has been active in the work of the IBA for 15 years, having served on practically all Mississippi Valley committees and on several national committees. He was elected for a three year term to the board of governos in 1940, but recently resigned because of his removal to the Central States group of the association.

"California and Bank of America"

Eastman, Dillon & Co., 15 Broad Street, New York City, members of the New York Stock Exchange have prepared an attractive booklet entitled "California and the Bank of America." Copies of this interesting brochure may be had upon request from Eastman, Dillon & Co.

Horner Co. Adds To Staff

R. M. Horner Co., 30 Broad Street, New York City, announces that Chester J. Ralph has joined their Albany-Schenectady sales staff. W. W. Carpenter has joined the staff in Utica and Hugo Duke has joined the Rochester sales staff. Raymond F. Ryan is representing the company in Niagara County, New York.

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Chester A. Long Opens As Dealer In Chicago

(Special to The Financial Chronicle)

CHICAGO, Ill. — Chester A. Long, formerly with Doyle, O'Connor & Co., is now engaging in the securities business from offices at 141 West Jackson Boulevard. Mr. Long in the past was with the Milbank Corporation, John Wittbold & Co. and was manager of the municipal department for Hadley, Wieland & Co.

PEP Looks Attractive

Portland Electric Power Company collateral trust income 6s of 1950 offer attractive possibilities for appreciation according to a circular issued by Scherck, Richter Company, Landreth Building, St. Louis, Mo. Copies of this circular discussing the company and the prospects for growth in some detail may be had upon request from Scherck, Richter Company.

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Interesting Speculation

T. J. Feibleman & Co., members New Orleans Stock Exchange, 41 Broad Street, New York, have just prepared an interesting circular on Nu-Enamel Corporation which shows the outlook of the company, its business and the earnings for last year and also comparative statistics for the first six months of 1943 compared with 1942. The report likewise includes the firm's dividend record for the past four years and the cash position it enjoys as of June 30, last, compared with Dec. 31, 1942. Copies will gladly be furnished any one requesting them. The firm also has available special reports on Red Rock Bottlers and General Aviation Equipment, likewise obtainable upon request.

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N. Y. Group Of IBA Elects Governors

The New York Group of the Investment Bankers Association of America, which comprises New York, New Jersey, and Connecticut, has elected the following to serve as Governors of the Association for terms beginning with the close of 1943 Annual Meeting scheduled for November 3 to 5 in New York City:

Frank M. Stanton

Walter J. Monro, who is the President of Schoellkopf, Hutton & Pomeroy, Inc. in Buffalo, New York to serve for a two-year term.

Ranald H. Macdonald, a partner of Dominick & Dominick in New York City, to serve for a three-year term.

Frank M. Stanton, Vice President of The First Boston Corporation, also in New York City, to serve for a three-year term. Mr. Stanton is now serving as the Chairman of the Executive Committee of the New York Group.

B. M. Goldsmith On War Duty

Bertram M. Goldsmith, a partner in Ira Haupt & Co., New York City, members of the New York Stock Exchange, is now serving as a captain in the U. S. Army, Military Government Branch, and is stationed for the present at Fort Custer, Battle Creek, Mich.

Before leaving on active duty, Captain Goldsmith was given a farewell party by the partners and 250 employees of Ira Haupt & Co.

One other partner and 30 employees of the Haupt firm have preceded Captain Goldsmith in the military service.

Nat'l City Bank of Cleve. Situation Of Interest

The current situation in National City Bank of Cleveland offers attractive possibilities according to a circular being distributed by Otis & Co., Terminal Tower, Cleveland, Ohio. Copies of the interesting circular may be had from the firm upon request.

Gisholt Co. Interesting

Gisholt Machine Co. offers an attractive situation, according to a memorandum prepared by Herzog & Co., 170 Broadway, New York City. Copies of this interesting memorandum may be obtained upon request from Herzog & Co.

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Managing A Business For Stockholders Through The Vicissitudes Of Inflation

A well-informed management is the best hedge a corporation or its stockholders have against inflation and the deflation readjustments that follow. The management should have a full knowledge of what to expect and a flexible program constantly in the processes of readjustment to meet changing economic and political conditions and expectations. With a thorough knowledge of inflation and deflation conditions, and their effects upon business and finance the management and investor can prepare a blueprint for a flexible policy.

With the foregoing in mind Dr. Ivan Wright, Professor of Economics, Brooklyn College, wrote his article, "Managing a Business for Stockholders Through the Vicissitudes of Inflation," which appeared in "The Chronicle" of July 8. As was to be expected, numerous comments have come to hand regarding the views and conclusions drawn by Dr. Wright in this excellent article. Some of these comments were given in our issue of July 15 and others that can be accommodated in this issue are given herewith:

JOE H. GILL
President, Electric Power & Light Corporation, New York City

I read with great interest the article in the July 8 issue of the "Chronicle," by Dr. Ivan Wright, entitled "Managing a Business For Stockholders Through the Vicissitudes of Inflation."

Joe H. Gill

This was a very striking article and impressed me so much that I secured additional copies of the "Chronicle" and sent them under personal cover to my associates in the field, because I do not know when I have seen such a fine exposition of the effect of inflation upon corporate management as contained in this article.

JOHN SLOANE
Chairman, W. & J. Sloane, New York City

We are in general agreement with the philosophy of the article by Dr. Ivan Wright; as it so vividly points out, a retail store would do well to work on minimum inventories in times of inflation and deflation, leaving the speculative phase to those who have more knowledge and experience and can better afford (?) the possible losses. A retail store, speculating in inventories, is performing a hazardous financial function, foreign to its expressed objective.

H. V. KALTENBORN
New York City

I always become irritated when I read financial experts who discourse upon "good hedges against inflation."

H. V. Kaltenborn

There are no good hedges against inflation. There are paper profits, which turn out to be just that when the end comes. For there always is an unhappy end to the inflation spree. That is why I agree with the sound sense which Dr. Ivan Wright has has expressed in his "Chronicle" article.

Let us do our best to hold down

(Continued on page 316)

Attractive Situations

Blair F. Claybaugh & Co., 72 Wall Street, New York City, members of the Philadelphia Stock Exchange, have prepared interesting circulars on Ft. Dodge, Des Moines & Southern Railway (4s of 1991 and common), Utica & Mohawk Valley Railway (4½s of 1941), and Consolidated Dearborn (common), which the firm believes offer attractive possibilities at current levels. Copies of these circulars may be had upon request from Blair F. Claybaugh & Co.

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Suggests Lamont and Benet Swap Places and Report

Editor, "Commercial & Financial Chronicle":

Interesting to "listen in" on the exchange between Mr. Lamont and Mr. Benet, published in the "Chronicle" of July 15. As I understand it, the former points to the advantages of "the profit system," so called; the latter points to its defects. So, what? The same advantage and disadvantage is in pretty much everything. "Compensation" it was called by New England's Emerson. All things are said to have the defects of their qualities. "Fire burns," "water may drown," etc. Mechanisms—capitalistic or communistic—are in some aspects ruthless. That is the nature of mechanisms, systems. Would Mr. Benet do away with hammers because he banged his thumb! Our system has one great advantage. It is our way, and still evolving—it works. Let "L" and "B" swap places and report.

L. E. HENWOOD,
Glenside, Pa.

July 20, 1943.

Canada Approves U. S. Div. Tax Convention

The Canadian House of Commons adopted on July 16 a bill ratifying a tax convention and protocol between Canada and the United States, signed at Washington March 4, 1943, agreeing on a maximum tax of 15% in the country of origin on dividends earned in one country and paid in the other. The bill was sponsored by Revenue Minister Gibson.

In Associated Press Ottawa advices it was also reported:

"The convention was debated and approved in the House of Commons by a resolution adopted June 8, 1942, but Mr. Gibson said the Justice Department had ruled that the ratification must be by an act of both houses rather than by resolution. The measure went through all stages without debate."

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HEATING AND
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Safety Car Heating & Lighting Co., Inc.

Investors who leave the beaten path in their search for attractive securities are often well rewarded for their efforts. On its record, the capital stock of Safety Car Heating & Lighting Co., Inc., is a good case in point.

This company has no funded debt or preferred stock outstanding. It has been in existence for 55 years and has paid dividends in 52 of the last 53 years. During the past 10 years earnings have averaged $5.72 per share and annual dividends have averaged $4.10 a share. With that record and with a distinctly favorable post-war outlook, the stock is currently quoted in the over-the-counter market at a price to yield approximately 7%.

This ocmopany is the leading manufacturer of lighting and air-conditioning equipment for railway passenger cars. Axle generating equipment, electric controls, lighting fixtures, fans and electric regulators are among the items produced. Company's regulators have a wide variety of uses outside the railroad field in connection with industrial, marine and diesel engines. Through wholly or partly owned subsidiaries, the company has an important stake in the production of heating and air-conditioning equipment for railway passenger cars, buses, boats and airplanes.

Manufacturing plant is located at New Haven, Conn., and business is carried on through a nation-wide sales and service organization. An important part of the company's business is derived from servicing its installed equipment, either on contract or on call. It is understood that relatively stable demand for replacement parts, in conjunction with continuous servicing, provides an important stabilizing factor to offset the highly cyclical aspects of the business.

The earnings record of the company ilustrates the presence of high earning power in good years

(Continued on page 322)

New Horizons

The Pure Oil Company Geologists Meet The Increased Demand For Petroleum Products

America's Reserves of Crude Oil In The Ground Are Being Drawn Upon More Rapidly Than They Are Being Discovered

In an interesting announcement entitled **New Horizons**, published elsewhere in the "Chronicle" today, The Pure Oil Company tells how its geologists and production engineers have accepted the challenge to supply the oil we need for war and for civilian needs now and after the peace.

This the company regards as a "herculean task" because the oil reserves of our nation are diminishing but The Pure Oil Co.'s reserves below ground were greater at the end of the year than at the beginning of 1942. The Pure Oil Company employs a staff of more than 100 skilled geologists and the management generously gives its geologists full credit for the outstanding record in exploration, expansion and development of Pure Oil properties during the past 28 years.

Last year, through the efforts of these men, Pure Oil Co. was again able to show a substantial increase in oil reserves below ground.

With plane tables and stadia rods, the geologists of the Pure Oil Co. are "sherlocking" the nation, coast to coast, and from the Canadian border to the Gulf of Mexico, in search of new oil-producing areas. With magnetometers and seismographs they are injecting manmade earthquakes deep into the sub-surface strata of already active fields in quest of "New Horizons." There is no question but that the Pure Oil production men are drilling to "new horizons—deeper oil-bearing formations"—wherever that is possible today.

Norwood School Budget Includes $72,000 For Debt Service

The Norwood Board of Education has approved its 1943-44 budget, which totaled approximately $555,000. Miss Emma Jungbluth, treasurer-clerk of the board, said that the budget was slightly higher than for previous years because of additional classes in war work and similar studies added to the school curriculum. She pointed out, however, that the State of Ohio would reimburse the board with two-thirds of the cost of the schools' vocational training programs. She said also that the budget included the retirement of and interest on $72,000 worth of bonds.

N. Y. Analysts To Meet

The New York Society of Security Analysts, Inc., at their meeting on July 28th will be addressed by Wheeler McMillen, Editor-in-Chief of "Farm Journal," on the subject of Chemurgy.

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Interesting Situations In Reorganization Rails

In view of the recent Supreme Court decisions in the cases of the "St. Paul" and the Western Pacific railroads, which have drawn considerable attention to the railroad reorganization field, E. W. Clucas & Co., 70 Pine Street, members of the New York Exchange, have prepared a booklet reappraising reorganization rail bonds and listing five issues which they believe offer attractive possibilities at the present time. Copies of this interesting booklet may be had upon request from E. W. Clucas & Co.

"News & Views"

The current issue of "News & Views" being distributed by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif., contains recent developments and interesting memoranda on a number of insurance companies which offer attractive possibilities, according to the firm. Copies of this release and a circular discussing the situation in American Surety Company may be had upon request from Butler-Huff & Co.

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Erie Railroad Exemplifies Fundamental Change In Financial Policies Of Railroads

First Boston Study Sees Carrier Issues Again Popular and Profitable Investment Medium

Using the Erie Railroad to exemplify the fundamental change that appears to have been made in financial policies of railroads, giving evidence that once again the carrier issues, over an extended period will be a popular and profitable investment medium, The First Boston Corporation, 100 Broadway, New York City, has prepared a study of the changing railroad picture. Noting that the final decade of the nineteenth century which was punctuated with a series of railroad receiverships, led into a period during the first three decades of the present century when earnings were generally satisfactory and rails as a class were profitable investments, the brochure draws an analogy between that pattern and that traced in the receivership period of the 1930s and what now may lie ahead.

Not attempting to disregard the presence of such future problems as smaller traffic in peacetime, revived competition from other modes of transportation and continued high taxes, the opinion is expressed that the "realistic attitude of railroad management and the ICC, the improvement in operating efficiency, and especially the modern policy of debt reduction, all are indicative of a change that permits the careful investor to find among railroad securities an investment medium suited to his individual requirements."

It is pointed out that the Erie Railroad, as reorganized, well exemplifies the new form of railroad capitalization. Having survived the first years of the depression and entered bankruptcy in 1938, not primarily because of inability to meet interest charges, but because the Reconstruction Finance Corporation refused to extend credit without guarantee of the owner, Chesapeake & Ohio, it might have appeared that the Erie upon reorganization could support a moderately large debt structure. On the contrary, the Erie affected a large decrease in capitalization and fixed charges, and operations since reorganization have produced still further improvement.

Not only were fixed interest bearing debt and charges cut in half, but all newly created issues enjoy the benefits of sinking funds or serial maturities and in addition a capital expenditures fund is provided expressly for financing improvements, acquisitions or additional debt reduction out of earnings, all of which is seen as assuring the continuation of orderly debt retirement.

Service Flag Rally Fails To Halt Work At War Plant

There has not been a single hour of idleness at the Albro Metal Products Corp., 944 Longfellow Avenue, the Bronx, since the company went all out for war production and the 100 workers kept their record clean, even though the navy itself sent officers to hold an incentive rally at the plant.

The occasion was the dedication of a service flag honoring the plant's 12 men in service, but the workers remained at their regular jobs, hearing the speeches by Lt. Comdr. J. Douglas Gessford and two seamen heroes over a loudspeaker system. The workers' families provided an official audience for the speakers.

Henry Smith, company secretary, turned over to Commander Gessford a check for $2,000 at the conclusion of the ceremony, the Corporation's contribution to the Soldiers' and Sailors' Club of New York. The workers added several hundred dollars, to this contribution.

Cliffs Corp. Looks Good

The current situation in Cliffs Corporation offers interesting possibilities, according to a circular just issued by Gillis-Russell & Co., Union Commerce Building, Cleveland, Ohio, members of the Cleveland Stock Exchange. Copies of this circular may be had on request from Gillis-Russell & Co.

Railroad Securities

The drive by railroad security holders to get their share of the accumulated cash balances during the reorganization process has finally opened with a bang. This is the major aspect of the entire reorganization picture that was not clarified by recent Supreme Court decisions, nor by any action on the part of the Interstate Commerce Commission. Inevitably it seems that the answer to this perplexing question must now be forthcoming in the reasonably near future in court or ICC decisions in one or all of the three major pending cases.

The most noteworthy result of the inflated treasury positions is that in most instances it has finally brought at least a measure of accord among the warring factions in the reorganization cases. Virtually every group is in agreement that the cash should be utilized prior to actual consummation of reorganization, and their contention is certainly supported by logic. Reorganization is not designed as a punitive process and the cash now in the treasuries, even though stemming from unusual and admittedly transitory conditions, represents earnings derived from mortgaged properties. To deny the mortgagee his right to the earnings on the property merely because an effective reorganization date has arbitrarily been set at a date in the past, before the cash was coming in so fast, does not appear equitable.

If the cash is turned over to the reorganized company for use at the discretion of the new management there could be no assurance that it would not be used largely for the benefit of old junior bond holders, possibly through dividend distributions on the new common stock. Now that the arbitrary effective dates have proven completely unrealistic there is a general feeling that the Commission should have no objection to moving them forward. This in itself allows distribution of cash as interest on the old bonds and need not involve any change in other features of the plans.

One other provision, designed also to protect the interest of old senior bond holders after reorganization is consummated, is getting popular these days. That is a provision for additional contingent sinking funds, generally providing that an amount equal to any common dividends be set aside for debt retirement. The fact that virtually all bond holders' groups are either actively or passively in accord with recent proposals for cash distributions and setting ahead of effective dates of reorganization plans appears to offer them a good chance for success in their petitions before the ICC. An important consideration is that the measure of accord that is now evident should eliminate the danger of further prolonged litigation such as is promised if the Commission turns a deaf ear to the proposals.

Three major roads have advanced plans for cash utilization in the past week or ten days—the Missouri Pacific to the District Court and the St. Paul and Rock Island to the Interstate Commerce Commission. The original Rock Island plan has already been turned back by the District Court. The new proposal would leave non-equipment debt unchanged from the level originally set by the Commission and would reduce total capitalization by some $11,000,000. It hardly seems possible that the Commission could find fault with this proposal. The St. Paul proposal would utilize cash to pay off a large amount of back interest, but would reduce the total amount of new fixed interest quite substantially due to payments of equipments and failure to reallocate bonds originally provided for new money and to meet bank loans since paid off. Unless the Commission is definitely set on the one point of leaving the effective date unchanged there could hardly be legitimate objections to this proposal.

The Missouri Pacific compromise plan is decidedly different than either of the other proposals. As in the other cases it is proposed to use cash to satisfy a portion of the old claims. The Missouri Pacific bond holders, however, are also requesting a sizable increase in debt above the level originally proposed by the Commission. The increase would amount to almost $42,000,000 of which $3,331,032 would be in fixed interest debt and $38,555,620 in income bonds. The Missouri Pacific proposal also contemplates giving the old stock holders some participation in the new company, a point not touched

(Continued on page 323)

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Now that the Final Report of the Special Master has been submitted to the Court in a form practically identical to his draft report, we feel that our study of the

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Ohio Brevities

Total resources and deposits in Cleveland's five largest banks exceeded the billion and a half mark for the first time in history, mid-year condition statements revealed.

Deposits for the five institutions soared to an all-time high point of $1,535,276,568, a gain of about 170 millions from last March 31 and over 375 millions from June 30 last year.

Total assets vaulted to the record total of $1,652,639,596, an increase of 166 millions in three months and over 393 millions from a year ago.

Government bond holdings in these banks climbed sharply to $898,716,755 compared with $744,789,530 on March 31 and nearly double the $462,214,721 a year ago.

Cash On Hand Turns Up

Cash on hand, sliding for the past few quarters, turned up 21 millions to $346,344,160.

Loans, however, continued lower, dropping over five millions to $313,954,364. This item was nearly 43 millions under June 30, 1942.

Deposits, total assets and Governments were at record highs in the five major banks. In seven smaller institutions, peaks were scored in the same items, excepting two which failed to set highs in assets.

Among the individual banks, Cleveland and Ohio may soon see its first billion-dollar bank.

Cleveland Trust Co., now the biggest in the State, which has advanced from 20th to 19th largest position in the nation since last March, made rapid strides in the past three months and, judging from its performance in the past year soon will reach the select billion-dollar class.

Resources Pass 700 Millions

In the last quarter, the bank's total footings attained the unequalled sum of $725,155,328, the first time it has passed the 700-million mark at a call date. This total was over 71 millions above March 31 and compared with $57,094,593 a year ago. Deposits rose 72½ millions to $682,419,985 and Governments were up over 68 millions to $418,288,386.

National City Bank, second largest in Cleveland, reported assets increased 42 millions to $399,545,357 in the quarter. Deposits made a similar gain to $365,749,988 along with Government holdings of $222,679,000.

Healthiest Sign Yet

Society for Savings announced one of the healtiest signs since the depression is that the other real estate owned classification is now carried at $96. At one time this item was over four millions.

Society registered gains in all items with best levels in its history set in resources of $133,251,674, deposits of $123,694,059 and U. S. Governments of $45,928,500.

Union Bank of Commerce, fast-

(Continued on page 303.)

Ohio Municipal Comment

THE CHANGING FUNCTION OF A BANK'S MUNICIPAL PORTFOLIO

(Continued from first page)

to only 19.8% of assets, while investments had jumped to 49.6% of total assets.

Since 1942, as every banker knows, this declining trend in loans and increase in investments has continued apace. For the first six months of 1943 the weekly reporting member banks in 101 cities show a further increase in investments of 16.7% over the total for Dec. 31, 1942, and a further decline in loans of 8.1%.

Nor is that the end of the trend, for every banker expects his deposits and his investments to increase further and, if he is frank with himself, his loans to decline further, at least in proportion to his growing assets. As is generally understood by now, this increase in deposits and investments is due principally to the purchase by the banks of U. S. Government bonds. Such purchases result simply in writing up investments on the debit side of the ledger and deposits on the credit side. That banks will continue to buy huge amounts of government bonds is now a commonplace. The expectation is quite logical, therefore, that deposits and investments will rise considerably further.

One important effect of this trend is a change in the function of a bank's investments. In the past this function was to act as secondary reserves. In those days the conservative banker made his investments in the light of the possibility of having to convert his secondary reserves into primary reserves.

Today, however, the function of a large part of a bank's investment account is to produce income. Of course, this account still serves as secondary reserves, but it has assumed vastly more importance than it formerly had as a source of revenue. Now, all secondary reserves may be investments, but all investments need not be secondary reserves.

The portion of the investment account which should be considered as secondary reserves and the portion which should be considered as a source of income, to replace the decline in revenue from loans, will depend upon the particular requirements of each individual bank. One thing seems certain, however: for the average bank its municipal bond account need not be considered as secondary reserves, and may, therefore, be considered merely in the light of a source of income to replace loans. This conclusion seems warranted because of the small percentage of total assets which the average bank has invested in municipals, and because of the vast

(Continued on page 303.)

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Toledo Edison Pfds.
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L. L. Parish Joins Victory Fund Staff

L. L. Parish, Assistant Executive Manager of the War Finance Committee of the Fourth Federal Reserve District, has joined the consulting and administrative staff of the State Headquarters of the War Finance Committee of the State of Ohio. He will devote particular attention to the War Loan Drives.

His experience in the days of the Liberty Loan activities in World War I was extremely helpful to the Fourth District Victory Fund Committee and to the District War Finance Committee in World War II. Mr. Parish did an outstanding job in assisting these committees to attain an enviable position in the December 1942 and April 1943 drives.

Mr. Parish will work under Mr. Roy D. Moore, Chairman of the War Finance Committee for Ohio, who was appointed to this post by the Secretary of the Treasury.

Cleveland Bond Club Elects New Officers

CLEVELAND, OHIO—John D. Burge, Ball, Coons & Co., has been elected President of the Bond Club of Cleveland, succeeding Wilbur F. Kurtz of W. F. Kurtz & Co.

Other officers elected were Herman J. Sheedy, McDonald-Coolidge & Co., Vice-President; Paul J. Eakin, Hornblower & Weeks, Treasurer, and W. B. Carleton, Fahey, Clark & Co., Secretary.

Mr. Burge came to Cleveland from Massachusetts in 1927 and is well known in business and civic affairs in Cleveland.

St. Bernard Taxpayers Approve Additional Levies

St. Bernard voters overwhelmingly approved two half-mill tax levies for the 1943 and 1944 fiscal years in Hamilton County's first election under conflicting time standards at an election on July 15. Each levy amounts to an added 5 cents for each $100 of valuation.

One levy will provide funds for an increase in incomes of approximately 70 city employees to meet increased living costs. Needing a 65% favorable vote, this levy was favored by 84.94% of the voters who cast ballots. The vote was 784 for and 139 against.

The next step in actually providing for the increases will be for Council to pass an ordinance fixing the rate of increase, Mayor Joseph A. Shottelkotte said. The city can borrow in anticipation of the new revenue to meet the higher pay roll.

The other levy will make funds available to meet current school expenses in School District No. 4. This levy, needing a simple majority, received a favorable vote of 83.91%—772 for and 148 against.

Ohio elections now are held under State time, which is one hour slower than the Eastern War Time adopted by Cincinnati and Hamilton County. This meant that the polls were open from 6:30 to 6:30 o'clock state time, or 7:30 to 7:30 o'clock county time.

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Harry Fischer Joins Geo. Griffiths & Co.

(Special to The Financial Chronicle)

CLEVELAND, Ohio—Harry N. Fischer has become associated with George I. Griffiths & Co., Union Commerce Building. Mr. Fischer was previously manager of the trading department of J. E. Neubauer & Co.

Cincinnati School Budget Calls For $8,000,000

An operating and maintenance budget of $7,920,727 for the coming school year was adopted unanimously by the Cincinnati Board of Education at its meeting recently in the Board of Education Building, 216 East Ninth Street.

Lucas County Sales Tax Income Higher

Sales tax revenues in Lucas County for the six months ended June 30 totaled $1,710,630 compared with $1,691,547 in the first half of last year, a gain of 1.1%, it was disclosed in the report of Don Ebright, Ohio State Treasurer.

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Ohio Municipal Comment

THE CHANGING FUNCTION OF A BANK'S MUNICIPAL PORTFOLIO

(Continued from page 302)

increase in investments other than municipals that are better suited to the requirements of secondary reserves.

Practically every banker sees his government bond account grow like Topsy, while his municipal account has declined, at least in relation to his total assets, and in many cases, in actual amount. The FDIC report shows that during 1942 the direct and guaranteed government obligations of the insured commercial banks increased $19,663,999,000 to a total of $40,711,697,000. During the same period holdings of municipal bonds decreased $118,142,000 to a total of only $3,533,486,000. Furthermore, during the first six months of 1943, the weekly reporting member banks in 101 cities further increased their holdings of governments 19.6% over the amount held on Dec. 30, 1942, while all other securities declined 7.5%.

Should any banker find it advisable some day to convert some of his investments into cash, he will probably find it more advisable to convert his government securities than his municipals. In the government market, the spread between the bid and asked prices is usually only 1/32 or 2/32 of a point. In the municipal market, the spread is usually ½ point to a full point, or sometimes more. Moreover, the mechanics of delivering and getting payment for governments is sowewhat easier and quicker than in the case of municipals. Finally, at present one can readily borrow from the Federal Reserve Bank on his government securities at par.

Under such circumstances, what banker who needed to sell investments to realize cash would not find it advisable to use his governments for that purpose? With governments making up such a large part of the total assets of banks today, the average banker who finds himself in need of more cash after he has sold all his government securities, is likely to be out of business by that time. It seems unlikely, therefore, that the average banker will be faced with the necessity of selling his municipal investments. Of course, there are many bankers whose municipal accounts still form a large part of their total assets, and in such instances at least some of these municipals must be considered in the light of secondary reserves that may have to be converted into primary reserves. However, such is not the case today with the average bank.

This reasoning could have several logical effects upon a banker's attitude toward municipals. In the first place, the banker who has been over-zealous for liquidity and who has not bought municipals because he felt they could not be sold quickly enough, can put municipals in his portfolio with little or no fear, provided he buys bonds of high quality. Since he is not likely to need to sell them, he needs only be mindful of quality and maturity.

In the second place, one need not be too concerned with the marketability of the municipals he buys. Provided again, he buys bonds of high quality, he can well afford to buy bonds of smaller and less well known subdivisions, having reasonable assurance that he will not have to convert his municipals into cash before they are paid at maturity.

In the third place, one need not hesitate to pay any premiums necessary to buy the bonds he wants. Many bankers have objected to paying high premiums for fear that such high premiums could not be realized should it become necessary to sell the bonds. Of course, if there is to be no occasion to sell the bonds, as seems to be the case with municipals, this objection has no basis at all. If the bonds are of high quality all of the premiums will be realized in the interest received over the life of the bonds, and it actually is advantageous to buy high premium bonds because more funds are put to work, with the premium earning interest the same as the principal, and usually at a better return than on low premium issues.

In the fourth place, one can purchase longer maturities of municipal bonds. A banker bases the maturity schedule of his investments on two considerations: a calculation of when he may **need** cash to **pay out**, and an opinion of when he may **want** cash to **re-invest** under more favorable circumstances. The first, of course, is the more powerful consideration, for it may mean whether or not the bank will be open tomorrow, while the latter is simply an effort to earn more income on one's investment. The former consideration will determine the maturity schedule of that portion of the bank's investments which are considered secondary reserves, but need have little or no effect upon that portion of investments which are intended to produce income not now received from loans. As already pointed out the municipal account of the average bank need not be considered as secondary reserves.

Hence the maturity schedlule of the municipal portfolio of the average bank should be based upon the banker's opinion of when money rates will be more advantageous to the investor. This consideration is far less stringent than the requirements for secondary reserves, and should, therefore, permit the purchase of at least somewhat longer maturities in municipal bonds. As a hedge against changing money rates, and as a hedge against no change in rates, maturities should be diversified and spread over a range of years, with the bulk of the bonds in short, medium or long maturities, depending upon one's opinion of when money rates will rise.

Any banker is discouraged at the thought of investing funds that in the past have been in loans at relatively high rates of return, in bonds at the rates currently prevailing for high grade municipals. Unfortunately, however, he has no choice. Moreover, very many bankers are finding that the tax exempt features of income from municipals is a very attractive and useful feature.

Finally, these comments should not be construed to imply that municipal bonds do not form a good secondary reserve based upon a need for cash. Many bankers have quite properly found that well chosen maturities of high grade municipals afford an excellent reserve against eventualities including wide fluctuations in deposits. These comments are intended to emphasize that, because of the present declining loans and vastly increasing investments in government securities, and the probability that such conditions will continue for some time, the average banker can today buy high grade municical bonds with greater freedom.

WFA Applies "Gag" To AAA Employees Under Act Limiting Talk To Farm Programs

The War Food Administration on July 20 applied a "gag" to the 200,000 State and county employees and committeemen of the Agricultural Administration Agency, strictly limiting their freedom to talk about farm programs. The order, based on a provision in the Agricultural Appropriations Act, prohibits both full and part-time AAA employees from giving information to the press or radio and from making speeches praising or criticizing the farm program or any other act of Congress. In United Press Washington advices July 20 reporting this it was further stated:

The Act forbids use of Federal funds to pay the salary or expenses of AAA information employees and restricts all AAA employees to the "answering of inquiries or supply of information to individual farmers."

Instructions to all AAA field employees outlining seven specific "don'ts" were based on an interpretation of the act by the Solicitor's office of the Agriculture Department. The Solicitor construed the intent of Congress as indicated by "expressions of Congressmen at the hearings which preceded passage" of the Act.

N. E. Dodd, chief of the AAA, in his order to employees listed these as prohibited practices:

"1. Furnishing releases, photographic prints, illustrations or mats to the press.

"2. Furnishing prepared scripts or transcriptions for radio broadcasts or appearing on radio programs.

"3. Preparing, distributing or exhibiting motion pictures.

"4. Preparing or displaying posters or exhibits.

"5. Preparing articles for periodicals, or furnishing articles, photographic prints, illustrations or mats to periodicals.

"6. Preparing or procuring the printing of popular publications of a promotional nature.

"7. Carrying on by word of mouth, in individual contracts or before groups, promotional activities for the purpose of enhancing the prestige of the AAA as an institution, or of indoctrinating a philosophy relating to the general principles of AAA programs, or of building public pressure for or against Congressional action on agricultural measures."

An AAA spokesman said that a strict interpretation of the 7th prohibition would prevent AAA employees from discussing the triple-A or farm programs before any civic group and would limit discussions before farm groups to the mechanics of a program. It would, he said, prevent a triple-A man from defending his own organization against criticism.

The demand for censorship of the AAA followed accusations in Congress and by the American Farm Bureau Federation that committeemen in the North Central States were using Government time and money to build up pressure for incentive payments.

AAA officials said the ruling would greatly limit the effectiveness of its employees in explaining and "selling" the 1944 farm program to farmers. That function has been shifted to the Extension Service, whose employees are paid by the States.

M. L. Wilson, director of extension work for the Agriculture Department, said in an accompanying letter to all State Extension directors that AAA employees were prevented by the order from "having access to the press, radio and other public communication media."

He suggested that the State Extension Service workers "keep farmers adequately informed" so as not to "curtail the extent to which the provisions of the current AAA program would be understood and acted upon by farmers."

An accompanying "suggested procedure" for dissemination of farm program information centralizes in Washington full and final authority for the preparation of press, radio, motion picture, poster and exhibition material.

The material will be mailed from Washington to State AAA officers for checking and will be turned over to the Extension Service for distribution.

Ohio Brevities

(Continued from page 302)

moving new bank, chalked up call-date tops in assets of $115,741,912, up 22 millions; deposits of $103,585,921, up over 26 millions, and U. S. holdings of $69,872,480, up over 18 millions.

Increases Are Sharp

Central National, last of the "Big Five," displayed records in assets of $278,945,325, deposits of $259,826,615 and Governments of $141,948,247. These three classifications showed gains of 23 to 25 millions.

The following smaller banks boasted tops in assets, deposits and Governments: Lorain Street Bank, Morris Plan, American Savings, Bank of Cleveland, and North American. Capital Bank and Continental Industrial scored tops in deposits and Governments.

* * *

Bonded indebtedness of Cuyahoga County (Cleveland), declined to $39,737,573 as of last August 1 from $43,890,709 on August 1, 1940. It was the biggest reduction in any two-year period in the last 15 years.

Henry Sherman Chosen

Henry S. Sherman, President of the **Society for Savings**, is the only Midwest banker chosen to a committee that will aid the Federal Deposit Insurance Corp. in supervising mutual savings banks insured by the corporation.

Mr. Sherman will be associated with prominent New York and Philadelphia bankers and the President of the New York State Mutual Savings Association.

Promoted by First Cleveland

Clarence F. Davis, who has been in the securities business in Cleveland for 25 years, has been made a Vice-President of the First Cleveland Corp. He has specialized in municipal securities for the past 12 years and came to First Cleveland in 1935. He is a member of the Bond Club.

* * *

Roger R. Clouse, attorney and formerly acting regional director of the Office of Civilian Defense, is now secretary of the board of directors of the **Federal Reserve Bank of Cleveland.**

He succeeds R. B. Hays, who replaced Frank J. Zurlinden, retired, as First Vice-President.

Boosted While In Army

Corporal George C. Litzko, who is 38 and had served in nearly all departments of the **Society for Savings** in his 22 (correct) years with the bank, came home on furlough just as the bank announced he had been promoted to Assistant Treasurer.

He is now serving in the statistical control unit of the Army Air Force Technical Training Command at Miami Beach, where he has been stationed since being inducted the first of the year.

Miss Barber Appointed Junior Officer By Penn Mutual Life Co.

Miss Mary Foster Barber, Assistant to the President, has been appointed a Junior Officer of **The Penn Mutual Life Insurance Co.** She is the first woman in the 96-year-old company's history to be so honored and one of the few women in the country to receive distinction as an executive in the life insurance world. Throughout her 15 years' service with the company her progress progress has been consistent and spectacularly rapid. For the past few years Miss Barber's work has been in the administrative department assisting John A. Stevenson, President. Previously she was manager of sales planning and was in charge of the preparation of sales promotion material. Since joining Penn Mutual in 1928, she has done much valuable research in education and insurance.

Mary Foster Barber

A native Pennsylvanian—her father, Laird H. Barber, having been a Congressman and later President Judge of the 56th Judicial District—Miss Barber was graduated from the National Cathedral School, Washington, D. C. Later she was graduated "cum laude" from Barnard College, where she was elected to Phi Beta Kappa. As an author, she had a play produced by the Provincetown Theatre in New York and has been a frequent contributor to magazines and insurance journals.

After serving as a Yeoman (F) in World War I, Miss Barber became associated with The Macmillan Company in New York as Editorial Assistant. One of her assignments was the proof-reading of the well-known "Project Method of Teaching" by Mr. Stevenson, with whom she has been associated since she started her insurance career with the Equitable in 1921.

Luncheon Group Broadens Scope Of Discussions

The Tuesday luncheon group which has been meeting weekly since Feb. 3, 1942 to receive ROTC instruction from George Chase Lewis, Col. Inf. USA, will continue to meet although Col. Lewis has been given a change in command and, unfortunately, will no longer be available.

The character of the discussions will therefore be changed. They will become broader in scope and will include topics relating to the Home Front.

Meetings are held every Tuesday, 12:30 p. m., Au Coq D'Or, 129 Maiden Lane, New York City.

Power & Light Co. Situations Attractive

The stocks of American Power & Light Company, particularly the $6 cumulative preferred and the $5 cumulative preferred, have attractive speculative appeal, according to a circular issued by Ira Haupt & Co., 111 Broadway, New York City, members of the New York Stock Exchange and other leading national exchanges. Copies of this circular and another interesting circular on Peoples Light and Power Co. may be had from the firm upon request.

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Laird, Bissell & Meeds
Members New York Stock Exchange
120 BROADWAY, NEW YORK 5, N. Y.
Telephone: BArclay 7-3500
Bell Teletype—NY 1-1248-49
(L. A. Gibbs, Manager Trading Department)

Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

The investor in fire insurance stocks should comply with the principle of diversification, just as does the wise investor in other categories of common stocks. The fact that a unique degree of diversification is inherent in the stock of any one well established fire insurance company, due to the nature of the business, is not sufficient. As was pointed out in this column two weeks ago, there exists among fire insurance companies quite extreme differences of managerial policy, in regard to investment of assets, allocation of premium underwritings, etc. These differences affect their relative earning power, earning stability, volatility of liquidating value, and other factors.

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For example, some companies invest more heavily in bonds, while others invest more heavily in equities. The "bond" company, other things being equal, will show less appreciation of liquidating value in a rising market than an "equity" company, and by the same token, less depreciation during a falling market. Its investment income is likely to be somewhat steadier than in the case of an "equity" company, but it loses out in times of expanding industrial activity and increasing industrial dividends. With regard to underwriting differences, it is a matter of record that companies which were heavily committed in the ocean marine field took severe losses in the early months of 1942, while those which were heavy in automotive risks lost a lot of premium volume on account of rubber and gasoline rationing. Companies which were relatively heavy in fire and miscellaneous classifications fared better.

This week we would like to point to another difference among managements which is reflected directly in their operating ratios, viz: the ratio of expenses incurred to premiums written, and the ratio of losses incurred to premiums earned. A study of these ratios over a number of years reveals an interesting fact. Generally speaking, it is found that there is a tendency for those companies which have a higher-than-average loss ratio to have a lower-than-average expense ratio; conversely, those with a lower-than-average loss ratio, have a higher-than-average expense ratio. In other words, it costs money to achieve a favorable loss ratio.

This interesting and significant sidelight on company differences is illustrated in the accompanying table which shows five-year average operating ratios.

FIVE YEAR AVERAGES

1937 to 1941 incl.

Ten Companies with HIGH LOSS RATIOS	Losses Incurred To Prem. Earned	Expenses Incurred To Prem. Written	Comb. Ratio
Franklin	53.4%	44.1%	97.5%
Home	53.4%	44.1%	97.5%
Fire Assoc.	52.1%	46.0%	98.1%
*Hanover	51.4%	47.8%	99.2%
St. Paul F. & M.	49.5%	44.6%	94.1%
Agricultural	49.4%	46.5%	95.9%
*National	48.9%	48.3%	97.2%
*Security	48.8%	47.7%	96.5%
*New Hampshire	48.4%	48.3%	96.7%
Fidelity Phenix	48.4%	43.5%	91.9%
Average (21 comp.)	48.3%	46.7%	95.0%
Av. (21 companies)	48.3%	46.7%	95.0%
Eleven Companies with LOW LOSS RATIOS			
*Springfield F.&M.	48.0%	46.2%	94.2%
Aetna	47.9%	48.6%	96.5%
*Prov. Washington	47.9%	46.5%	94.4%
*Continental	47.3%	44.0%	91.3%
*Hartford	46.4%	45.0%	91.4%
Great American	46.3%	49.1%	95.4%
Boston	46.1%	48.4%	94.5%
North River	45.9%	47.6%	93.5%
Insurance of N. A.	45.4%	48.8%	94.2%
U. S. Fire	45.3%	46.4%	91.7%
*Phoenix	44.0%	48.4%	92.4%

It will be noted that the majority of the ten companies whose loss ratios are higher-than-average have expense ratios lower-than-average. The exceptions marked with an *, are: Hanover, National, Security and New Hampshire, which also have higher-than-average expense ratios. The average loss ratio of these ten companies is 50.4%, and their average expense ratio 46.1%, compared with 48.3% and 46.7% respectively, for the 21 companies.

It will also be noted that the majority of the eleven companies with loss ratios lower-than-average have expense ratios higher-than-average. The exceptions, marked with an *, are: Springfield, Providence-Washington, Continental, Hartford and U. S. Fire, which also have lower-than-average expense ratios. The average loss ratio of these eleven companies is 46.4%, and their average expense ratio 47.2%, compared with 48.3% and 46.7% respectively, for the 21 companies.

Lower expense ratios are not sufficient to offset the higher loss ratios, in the large majority of cases. For example, the ten companies with **high-loss** but **low-expense** ratios have an average "combined ratio" of 96.5%, compared with 95.0% average for the 21 companies, while **low-loss** but **high-expense** companies have an average "combined ratio" of only 93.6%.

A comparison of operating ratios for the year 1942 is not shown, and they are not included in this brief study, for the reason that the year's underwriting experience was so unusual, due to marine losses, gas rationing, etc., that the ratios were distorted beyond the point of usefulness. However, an examination of other five year averages within the past decade shows almost identically the same grouping and relative results as above. From this we may reasonably draw the conclusion that, in the majority of cases, the most favorable net underwriting results are achieved by those companies which have higher-than-average expense ratios. There are, of course, exceptions to this rule.

Certainly the investor who desires an adequately representative portfolio of fire insurance stocks must compare and study, with intelligent care, the distinguishing characteristics which differentiate one company from another. No hit or miss selection will provide balanced diversification.

PRIMARY MARKETS IN
INSURANCE STOCKS

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New York 5 67 Wall Street WHitehall 3-0782 NY 1-2875
Boston 9 10 Post Office Square HUBbard 0650
Chicago 3 135 S. La Salle Street FRanklin 7535 CG-105
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ST. LOUIS, LOS ANGELES, SAN FRANCISCO AND SEATTLE
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HARTFORD, Enterprise 6011 PORTLAND, Enterprise 7008
PROVIDENCE, Enterprise 7008

Ayres Optimistic On War's Progress

We should not be unduly depressed by the fact that in this country everything except money gets progressively scarcer, Brig. Gen. Leonard P. Ayres, Vice-President of the Cleveland Trust Co., declares in the company's July 15 monthly "Business Bulletin."

After commenting on the "victorious combat" developments on the various fronts, particularly the Battle of the Atlantic, Gen. Ayres stated:

"In large areas our crops are off to a poor start, and the management of our food controls is disquieting. Our coal problems remain unsolved, but production is now going forward in nearly normal volume, and stocks of coal in storage are unusually large. It is true that we are beset by wartime inconveniences, but after all most of them are relatively minor ones.

"Railroad transportation still somehow manages to accomplish month by month its seemingly impossible tasks. Our production of planes, ships, and munitions continues to increase, although at more sober rates than was the case a few months ago. Almost every sort of business is active, and very little of it is exceptionally prosperous, which is quite as it should be in time of war. The hardest parts of these wars still lie ahead, and they may last a good deal longer than many expect. The important fact is that we are winning. However long and hard the rest of the task may be it transcends in urgency all else."

Noble Opens In L. A.

(Special to the Financial Chronicle)

LOS ANGELES, CALIF.—Chester L. Noble has opened offices at 530 West Sixth Street to engage in a general securities business. Mr. Noble for a number of years has been associated with Akin-Lambert Co.

OUR REPORTER'S REPORT

The extent to which the Federal Reserve System has supported the Government bond market through its huge war financing of the last 18 months becomes apparent from a glance at the weekly condition statements of the 12 regional banks.

At the same time it develops that such aid has been rendered without recourse to the powers of the Reserve to absorb up to $5,000,000,000 of Government bonds if necessary for that purpose.

Sharp expansion in holdings of Government securities by the central banking system has come about, the figures reveal, entirely through additions to its portfolio in the form of bills and short-term certificates, highly liquid collateral.

The most recent statement of the Reserve, showing the condition of the 12 regional banks on a consolidated basis, puts the total U. S. Treasury obligations held at $7,644,666,000, an increase of some 150% over the same date a year ago, when the aggregate was $3,037,551,000.

Yet, despite the several large Victory Loan drives, it develops that the central banks hold a smaller amount of Treasury bonds, $1,480,748,000, than they did on the corresponding date in 1942, when the total was $1,640,296,000.

The major expansion took the form of a ten-fold rise in bill holdings, to $4,327,318 from $494,549,000, while holdings of certificates rose to $1,091,700,000 from $1,178,231,000. In the interval net holdings of Treasury holdings have remained virtually stationary, just under $750,000,000.

Member Banks' Holdings

In the foregoing interval, the weekly condition statement of reporting member banks as of July 14 last, shows that those institutions have expanded their holdings of Government securities by upward of $15,300,000,000.

As of that date member banks showed aggregate holdings of $35,165,000,000, which compared with $19,782,000,000 on July 15, the nearest comparable date last year.

Member institutions, it develops, added some $4,802,000,000 to their Treasury bond holdings, which stood at $15,886,000,000.

The bulk of the increase was in holdings of certificates of indebtedness, which rose $5,501,000,000 to $6,962,000,000. Treasury bills increased meanwhile by $2,994,000,000, while holdings of notes expanded by $1,922,000,000 to $4,810,000,000.

One Large Secondary Offering

The current week brings to market only one substantial piece of corporate financing, this in the form of a secondary distribution of 665,715 shares of no par convertible $1.50 cumulative preferred stock of Twentieth Century-Fox Film Corporation.

Purchased by bankers from the Chase National Bank, this unusually large block of shares was offered by a nation-wide underwriting syndicate at $33.50 a share.

It further illustrated the effect on the market of the dearth of new securities available for investment in recent months. The block, despite its size, was oversubscribed, and the books closed within a relatively brief space of time.

Another Possibility

Action of the Securities and Exchange Commission in granting the plea of the South Carolina Electric & Gas Co. for acceleration of its proposed issue of $20,000,000 of first mortgage bonds, due in 1973, brought that refinancing to the fore as a possible operation for later in the week.

The Commission agreed to shorten the required time for invitation of bids from bankers to six days, from the normal period of ten days.

The company, a subsidiary of the General Gas & Electric Corp., plans to use the proceeds from the sale for the purpose of retiring certain outstanding obligations. The Commission further modified the dividend restrictions on the common stock of the issuer, imposed last month coincident with the merger of Lexington Water Power Co. into South Carolina Power.

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LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1
TOTAL ASSETS
£108,171,956
Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

Australia and New Zealand
BANK OF
NEW SOUTH WALES
(ESTABLISHED 1817)
Paid-Up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Prop. 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1941 £150,939,354
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Prospects Promising For Canadian Crops

In its current crop report, dated July 15, the Bank of Montreal States that crop prospects are promising in Manitoba and satisfactory in most areas of Alberta and Saskatchewan. High temperatures throughout the Prairie Provinces during the past week have promoted rapid growth, according to the bank, which in its report also says:

"Wheat is mostly in shot blade and heading is becoming general in some districts. Moisture conditions are satisfactory throughout Manitoba, but rain would be welcome over most of Alberta and Saskatchewan and is urgently required in some districts. Losses from hail and pests have been small. Weeds are troublesome in some districts. Sugar beets are making fair progress in Alberta and good progress in Manitoba. In the Province of Quebec, recent warm weather has stimulated growth and progress is satisfactory, except in low-lying areas where there has been damage from excessive moisture. Harvesting of an excellent hay crop is in progress. Pastures continue in very good condition. Corn and root crops show good growth, except in low lands where damage is reported. Moisture is ample and continued warm weather would be beneficial."

Mexico Resumes Foreign Debt Payment

The first payment on the public debt of Mexico since 1928 was announced on July 15. The advices in the matter stated:

"The resumption of the debt was negotiated by a group of international bankers known as International Committee of Bankers on Mexico, through its chairman, Thomas W. Lamont, and in behalf of the Mexican Government through its Finance Minister, Eduardo Suarez. The agreement was ratified by the Mexican Congress on December 29, 1942. The International Committee of Bankers on Mexico, for the purpose of these negotiations, organized a group of international bankers consisting of the following: American Section: Thomas W. Lamont, Chairman; DeWitt Millhauser, Walter T. Rosen, Sir William Wiseman, and Vernon Munroe, Secretary; British Section: Lord Bicester, Chairman; Sir Edward R. Peacock, Frank C. Tiarks, Vincent W. Yorke, and E. C. Webb, Secretary; Swiss Section: Association Suisse des Banquiers, Basel.

"Counsel for the Mexican Government in connection with the Agreement and, for the fiscal and registration arrangements were Hardin, Hess & Eder, New York City; counsel for the International Committee, American Section, were Davis, Polk, Wardwell, Sunderland & Kiendl, New York City; and for the British Section were Slaughter & May, London, England."

It is added that "the time for holders to register their securities has been extended 60 days from June 30, 1943. This extension applies only to the external debt of the United States of Mexico and does not include the railways issues with the exception of Tehuantepec National Railway 5% and 4½% gold loans, due June 30, 1953." Application forms for the purpose of registering these securities are now available and may be obtained from the Pan American Trust Co., New York City, according to the announcement.

The Mexican plan for redemption of service on its external public debt was referred to in these columns July 1, page 33.

N. Y. Savings Banks Report Gains In Deposits, War Bond Sales In Six Months

"A large part of the American people are striving earnestly to defeat inflation and to put their money to work for victory, if the experience of our New York State savings banks is any criterion," Myron S. Short, President of the Savings Banks Association of New York State and Executive Vice President of the Buffalo Savings Bank, stated on July 16 in presenting a resume of savings activity during the first six months of 1943. "The combined total of new savings through War Bonds bought at the savings banks and increased savings deposits from Jan. 1 to July 1 amounted to $371,013,000. In addition, the savings banks wrote $3,836,600 of low-cost life insurance." Mr. Short continued.

"Statistics are sometimes monotonous, but in this case they are lively evidence to demonstrate how the people of New York State are voluntarily supporting the Government's War Savings program.

"Total sales of War Bonds and Stamps in this State during the six months to July 1 are estimated at $911,000,000. Of this, $128,370,000 or 14% were bought at the offices of New York's 132 mutual savings banks.

"The net increase in savings banks deposits during the same period was $242,643,000. This represents a 4.35% increase in deposits and, to my knowledge, is the largest increase in savings deposits ever recorded by the banks in a six-months' period. Likewise, our records show a net gain in accounts of 101,420, again a record-breaking figure.

"The month of June was the best the savings banks have experienced, with a $50,639,000 gain in deposits and 19,850 in accounts. As a result, both dollar deposits and the number of people served stand at an all-time high with deposits at $5,812,733,796 and savings accounts at 6,103,324 as of June 30.

"The final figures which I wish to present and of which the savings banks are justly proud have to do with payroll savings for War Bonds. The savings banks have been providing this service to implement the Treasury's Payroll Savings Program among those employers who do not have adequate facilities to handle this activity themselves. Incomplete reports just received reveal that the savings banks are servicing more than 3,093 firms with 181,846 payroll savers, setting aside regularly each month $2,275,736 for purchases of War Bonds."

Mr. Short further said:

"These statistics indicate clearly to me the temper of our people, their desire to back up the boys at the front and to fight actively at home for the continuance of American democracy.

"In War Bonds and savings accounts alone, New Yorkers have saved $1,154,643,000 in six months' time, and average of $315 per family. If comparable figures for other savings agencies were available the total would be even greater.

"The Home Front is awake and working, and I am confident that the results for the second six months of 1943 will be even greater. Certainly the savings banks will bend their every energy to bringing an ever-increasing number of participants into the fight."

Urges Servicemen Get Sound Mortgage Advice

The country and especially men with mortgage loans outstanding and going into the armed services, can get along very well without the uninformed and inaccurate "curbstone" advice so freely given in the past year, in the opinion of Charles A. Mullenix, President of the Mortgage Bankers Association of America. Mr. Mullenix on July 17 said that the organization's nation-wide inquiry into the matter revealed that the families of many servicemen have been unintentionally misled as to their rights and responsibilities under the Soldiers' and Sailors' Civil Relief Act, the national legislation enacted to protect men with debts outstanding. Mr. Mullenix further commented.

"The most common, and certainly the most unfair, impression left with servicemen with mortgage loans outstanding has been that they are forever relieved of payment of principal and interest during the period they are in service. This, of course, is wholly untrue. Advice of this sort has come principally from well-meaning but misinformed civilians, but a part of it originated with uninformed army sources. It has been a case of trying to help but actually doing more harm than good."

A forum on developments under the Act is scheduled for the Association's 30th annual meeting in Chicago, Sept. 23, 24 and 25. The results of an MBA survey on the war's effect on mortgages of servicemen was reported in our issue of July 1, page 29.

STATEMENT OF CONDITION OF

The First National Bank of Miami

Edward C. Romfh, President

Miami, Florida

June 30, 1943

ASSETS

Loans to Individuals, Firms and Corporations		$1,230,618.68
First Mortgage Loans on Improved Real Estate		406,369.64
Overdrafts		129.69
Banking House		700,000.00
Furniture and Fixtures		154,312.28
Other Real Estate		16,155.00
Other Assets (Includes Accrued Interest and Prepaid Expense)		108,540.75
Stock—Federal Reserve Bank (1,440 shares)		72,000.00
Stock—First National Holding Corp.		100,000.00
*Bonds Owned:		
State and Municipal Obligations		504,734.35
Industrial Bonds		49,521.25
Railroad		113,811.08
U. S. Government Obligations	$41,399,851.42	
Cash Reserve and Due from Banks	19,708,230.91	61,108,082.33
TOTAL ASSETS		$64,564,275.05

*List Furnished Upon Request.

LIABILITIES

Capital	$1,200,000.00
Surplus and Undivided Profits	1,649,790.08
Reserve for Dividend	36,000.00
Deposits	61,678,484.97
TOTAL LIABILITIES	$64,564,275.05

Deposits

June 30, 1942	June 30, 1943
$47,528,471.21	$61,678,484.97

Greater Miami's Oldest—South Florida's Largest—Financial Institution
Under Same Management Since Organization in 1902

Member
Federal Reserve System
Federal Deposit Insurance Corporation

When Inflation Comes, Deflation Cannot Be Far Behind

(Continued from first page)

ing power created by war purposes. The following table from the bulletin on Economic Conditions of the National City Bank of New York, June, 1943, indicates the trend of currency and bank deposit inflations throughout the world at the present time.

Currency Notes Outstanding

(In Millions of National Currencies)

	Dec. 31, 1938	Dec. 31, 1939	Dec. 31, 1941	Dec. 31, 1942	% Increase 1938-42
United States	6,856	7,598	11,160	15,410	125
Canada	263	318	567	754	187
United Kingdom	505	555	752	923	83
Australia	49	57	85	121	147
New Zealand	17	19	25	31	82
South Africa	19	21	30	40	110
India	1,880	2,359	3,356	5,704	203
Argentina	1,118	1,191	1,380	1,627	47
Brazil	4,825	4,970	6,647	†8,500	76
Chile	795	950	1,449	1,856	133
Colombia	66	68	82	112	70
Mexico	296	373	563	753	154
Peru	108	132	209	283	162
*Germany	8,223	11,798	19,325	24,375	196
‡Belgium	22	28	48	68	209
Denmark	441	600	842	983	123
‡France	111	151	270	383	245
Netherlands	992	1,152	2,116	3,034	206
Sweden	1,061	1,422	1,700	2,016	90
Switzerland	1,751	2,050	2,337	2,637	51
Turkey	194	281	512	724	273

*Reichmarks only. †September, 1942. ‡In billions.

Commercial Bank Deposits

(In Millions of National Currencies)

	Dec. 31, 1938	Dec. 31, 1939	Dec. 31, 1941	Dec. 31, 1942	% Increase 1938-42
United States	54,054	58,344	70,792	88,437	64
Canada	2,500	2,774	3,105	3,657	46
United Kingdom	2,253	2,441	3,329	3,629	61
Australia	319	335	384	423	33
New Zealand	63	73	83	99	57
South Africa	100	101	148	195	95
India	2,277	2,401	3,212	4,461	96
Argentina	3,791	3,913	4,585	5,254	39
Brazil	11,665	12,523	16,531	†17,318	48
Chile	1,923	2,049	2,469	2,844	48
Colombia	87	97	123	161	85
Mexico	368	452	727	1,038	182
Peru	287	318	448	610	113
Germany	10,524	13,630	26,177	----	---
Belgium	16,313	13,155	20,786	27,465	68
Denmark	2,305	2,455	3,116	3,547	54
France	33,578	42,443	76,656	91,547	173
Netherlands	687	576	941	975	42
Sweden	4,260	4,401	4,879	5,157	21
Switzerland	3,111	3,015	3,163	3,347	8
Turkey	291	262	374	*441	52

*July 1942. †April 1942.

This table does not include China. But the National City Bank bulletin points out that inflation in China has taken on runaway proportions. In free China food prices have risen 30 or 40 times. "Disorganized production, combined with inadequate and costly transportation, has resulted in acute scarcity of goods of all kinds, while war expenditures are being financed largely through inflationary issues of currency and credit."

No country is fully avoiding inflation, and certainly none will escape the effects of the inflations of other countries. But some countries are doing a very good job under the circumstances. For example, the currency notes of Switzerland have increased 51% and the bank deposits only 8%. In the United Kingdom the currency outstanding has increased 83% and the commercial bank deposits 61%. The conditions in all of these countries vary widely, and the inflations and the consequences will be governed for each country by conditions outside of the country's control in part but largely by the resources, financial management, monetary, tax and economic policies of each country. From the tables it seems clear that the British Empire countries, Sweden, Switzerland, Denmark and other well-managed countries are seeking to avoid as much inflation as possible. Up to the date of this table, the United States had hardly got started on its inflationary war boom.

Inflation in the United States

Currency notes outstanding are more than 17 billion dollars. Bank deposits have exceeded one hundred billion dollars. The debt of the Federal Government is expected to reach 210 billion dollars by the end of the fiscal year. In spite of the efforts to hold down prices and wages, the costs of living and the costs of business have mounted sharply. Labor organizations are demanding new wage increases because of the rising costs of living. The producers of food, oil, housing and other products are demanding price increases because of the increased wages and taxes. The inflationary gap of spending power in the hands of the public in excess of the available goods to buy is estimated by various authorities from 40 to 60 billion dollars, and is expected to rise another 40 billion or more during the coming year. While wages in some occupations have risen much faster than the costs of living, in other occupations, and particularly in peacetime occupations, wages have lagged far behind the rising costs of living. In many of these occupations an increase in wages to offset the increase in the costs of living will force the shops into bankruptcy. It is now proposed to use subsidies to avoid the wholesale failure of these businesses. The use of subsidies in England and Canada are pointed to as examples. But the fact that England and Canada started to control prices with the beginning of the war and have done a much better job of holding down prices, wages, the cost of living and the debt cost of the war are all omitted in discussing these subsidies. The present disparity in wages, prices, costs and the confusion in the policies and practices in this country make the use of subsidies unreasonably costly at this late date. Any attempt to roll back prices and use subsidies would create indescribable opportunities for graft and new demands for costly regulatory services. Because of the limited success of the policies of control and regulation of prices, wages and costs, and the failure to apply taxes effectively to close the growing inflationary gap of spending power costly inflation seems inevitable.

Post-War Conditions and Policies

The end of hostilities will leave the warring countries with the largest job of reconversion to peacetime business in their histories; the highest debts known to them; the most burdensome taxes ever imposed; and greatly inflated and vulnerable currency and credit systems. What is to be done about all of these colossal problems? The change back to peacetime production will take time, new financing and new tools. A period of readjustment, unemployment and no doubt a great deal of hardship will be experienced. Plans should be under way for this transition period in every war business. The Government has plans. Every community should have its own plans. There cannot be too many well thought out and sound plans for reconversion and reconstruction. A thorough knowledge of the conditions after the last war will be helpful. While the change-over after this war will be much larger than after the last war, many of the same problems will be faced, only perhaps on a larger scale.

When the war ends, the scarcity of peacetime consumers' goods and the scarcity of peacetime capital to produce with may cause prices to rise sharply unless controls are very firm. The unemployed from war factories, and the returning soldiers will be expecting their savings and their small incomes to support them in comfort. Runaway prices and depreciated currencies can cause far more hardships after the war than have been endured in the domestic economy during the war.

Fortunately the recovery of peacetime production does not take long in any country, given one or more normal seasons together with constructive political and economic policies. One of the interesting bits of economic and social history which has not been too well learned in the United States is that a country which has been apparently devastated by war can return to prosperity and support itself very quickly, at most within one or two seasons. Tools, materials, management and work will do wonders, and have after every war in a short time, much to the astonishment of those who have viewed the seemingly unrecoverable destructions. Of course, these productive forces thrive best under peaceful free enterprise, stable political and economic conditions not torn by fear and oppressed by taxes and debts.

Writing of similar destructions, John Stuart Mill, about 100 years ago, before modern speed, transportation, machinery, engineering, electricity, chemistry and mass production came into being, said:

"This perpetual consumption and reproduction of capital affords the explanation of what has so often excited wonder, the great rapidity with which countries recover from a state of devastation; the disappearance, in a short time, of all traces of the mischiefs done by earthquakes, floods, hurricanes and the ravages of war. An enemy lays waste a country by fire and sword, and destroys or carries away nearly all the movable wealth existing in it; all the inhabitants are ruined, and yet in a few years after, everything is much as it was before. This 'vis medicatrix naturae' has been a subject of sterile astonishment, or has been cited to exemplify the wonderful strength of the principle of saving, which can repair such enormous losses in so brief an interval. There is nothing at all wonderful in the matter. What the enemy have destroyed would have been destroyed in a little time by the inhabitants themselves: the wealth which they so rapidly reproduce would have needed to be reproduced and would have been reproduced in any case, and probably in as short a time. Nothing is changed, except that during the reproduction they have not now the advantage of consuming what had been produced previously. The possibility of a rapid repair of their disasters, mainly depends on whether the country has been depopulated. If its effective population have not been extirpated at the time, and are not starved afterwards; then, with the same skill and knowl-

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WPB Curtails Use Of Newsprint By 5%

The War Production Board announced on July 6 that newspaper publishers are required to make further cuts in their consumption of newsprint during the third quarter, ranging up to 5% for larger users. The new reduction follows the recommendations of the Newspaper Industry Advisory Committee made in June.

The additional 5% reduction does not apply to the first 25 tons for newspapers using less than 500 tons a quarter. This provision, the WPB said, is designed to aid the operation of smaller newspapers. The Associated Press advices from which we quote, added:

"The curtailment ranges from 2.5% for newspapers using up to 50 tons a quarter and to 5% for newspapers using 500 tons or more a quarter.

"The necessity for economy in the use of print paper becomes more pressing with each passing week," said H. M. Bitner, Director of the WPB's Printing and Publishing division."

"Any usage of paper over the quota, until an exception is granted, will be at the applicant's risk," Mr. Bitner said.

"Failure of newspaper publishers to live within the allowed usage in any quarter necessitates reference of all such cases to the WPB compliance division."

The WPB stated it would not recommend granting extra paper for publication of special editions, nor would it grant additional tonnage to meet circulation gains achieved through prize contests or similar promotional campaigns.

Under the original print paper curtailment order which went into effect Jan. 1, newspapers were limited in each quarter to 100% of the tonnange of paper used in printing their net paid circulation in the same quarter of 1941, plus 3% for spoilage.

It had been expected that this would bring about a 10% over-all reduction of consumption but this, it is stated, was not accomplished.

Combined Food Board To Survey Food Data—Canada Participating

The Department of Agriculture announced on July 12 that the Combined Food Board has made arrangements for a survey to be made of the available statistical records and other data concerning food supplies and consumption in the United States, the United Kingdom, and Canada. The primary object of the survey, the Combined Food Board stated, is to take steps to put food data of these countries on as near a comparable basis as possible. The Department's announcement added:

"Three United States Department of Agriculture officials have arrived in England and shortly will begin discussions with officials of the British Ministry of Food. They are John Cassels, of the Food Distribution Administration; L. A. Maynard, of the Agricultural Research Administration; and Montell Ogdon, of the Office of Foreign Agricultural Relations.

"The Canadian Government is also participating in this inquiry, and Ian McArthur, of the Canadian Dominion Bureau of Statistics, already has arrived in England.

"These personal discussions will supplement the full exchange of information on food maters which is already taking place through the regular channels of the Combined Food Board."

edge which they had before, with their land and its permanent improvements undestroyed, and the more durable buildings unimpaired, or only partially injured, they have nearly all the requisites for their former amount of production. If there is as much of food left to them, or of valuables to buy food, as enables them by any amount of privation to remain alive and in working condition, they will in a short time have raised as great a produce, and acquired collectively as great wealth and as great a capital as before; by the mere continuance of that ordinary amount of exertion which they are accustomed to employ in their occupations. Nor does this evince any strength in the principle of saving, in the popular sense of the term, since what takes place is not intentional abstinence, but involuntary privation."

Modern efficiency and skill have greatly shortened the time required for reconstruction. Those who are looking for a long and prosperous period of rebuilding and supplying delayed peacetime needs might avoid some errors in perspective by examining similar experiences of the past and then adding a large measure of modern mass production efficiency.

Plans for Stabilization of the Currencies

Sound and dependable currencies are necessary for any restoration of commercial relationships between the various countries. This is problem number one in the conversion to peacetime conditions and the restoration of international relations between countries. Currency stabilization, debts, taxes and the need of peacetime capital are all tied up together and a complete separation for reconstruction purposes seems out of the question. However, monetary stabilization is the first essential in dealing with the other financial problems.

Both the British and the American plans for currency stabilization seem unnecessarily bunglesome, vague and inflationary. The first step seems to be for each country to put its own financial house in order and establish a sound currency upon which its own people and the rest of the world can depend. When this is all accomplished the problems of domestic and foreign debts can come up for consideration. In the meantime, no doubt, a great deal of charity will be necessary. However, given a good season or two (it will take all that much time to iron out these complicated problems) with the available shipping capacity after the war and the various countries of the world will again be as well or better nourished than ever before, and then the patients will be able to sit up around the international conference table and talk about their ills of debts, taxes, and make promises on new international loans.

The British proposal for an international clearing system seems quite all right for the best interests of the British Empire and I see no reason why they should not hold to it. The debts of the British Empire countries will be large but manageable. The banks will be sound. If the bonds decline in price the owners will just take a capital loss and charge it up to the war. The costs of the war have been large in all British Empire countries but nothing like the costs to the United States. In the British Empire costs have been kept down, prices have been controlled better and the currencies have a larger purchasing power. The Britsh Empire's need is for a clearing system. England wants and needs from the rest of the Empire countries and other countries of the world raw materials, food and such goods as she does not produce advantageously. She has manufactured goods and services to exchange for these. What kind of money any other country has is of no concern to England as long as it is a stable and dependable money and serves the best interests of the country that creates it. It is, of course, important that any country have a sound and stable money for its own best interest. A country with an unstable money on which its own people and the rest of the world cannot depend undoubtedly is a menace to commercial stability throughout the world but a far greater menace to its own commerce and stability.

Frequently the instability of the currency system of a small and undeveloped country results from foreign investments in the country and the efforts of the foreign investors to collect in gold, interest, dividends, profits, and even for the sale of capital. This undermines the stability of the currency of the borrowing country. A creditor country cannot follow this practice without upsetting the stability of the foreign exchanges. It was this effort to collect foreign debts in gold that brought on the collapse of the international exchanges in 1930. This will be repeated if creditor countries lend their capital lavishly to impoverished, debt-stricken and new countries, and then seek to collect more than these countries can pay out of their favorable balance of international trade. England will avoid this practice, to her own advantage undoubtedly. The United States must

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Liquidation Of NYA Urged In Labor Dept.

The $1,137,167,010 Labor Department-Federal Security Agency supply bill for the new fiscal year was signed by President Roosevelt on July 12. This bill orders the liquidation of the National Youth Administration by Jan. 1, providing $3,000,000 to cover these costs. Also included in this measure is a provision prohibiting the National Labor Relations Board from calling collective bargaining elections in plants where a labor contract has been in force without complaint for three months.

The NYA was created in July, 1935, to train young people for employment and to help needy boys and girls through school. The agency's training programs of late have been connected with war work but Congressional critics had charged that these programs were duplicating or overlapping the work of other Government bureaus. It was also said that the NYA was wasteful in the use of its funds, equipment and manpower. Under the bill, the mechanical and other equipment which NYA has at its numerous training schools is to be turned over to the Procurement Division of the Treasury Department for disposal.

The Senate voted on June 29 to continue the NYA as a "war essential" and give it $47,800,000 for the 1944 fiscal year. However, the House had previously voted to abolish the agency and the Senate later reversed itself and backed up the House's demand.

Deleted from this bill was an amendment to require Senate approval of employees of the War Manpower Commission earning $4,500 or more a year.

STATEMENT OF CONDITION

THIRD NATIONAL BANK

IN NASHVILLE

NASHVILLE, TENNESSEE

AS OF JUNE 30, 1943

ASSETS		LIABILITIES	
Cash and Due From Banks	$17,697,865.64	Capital	$ 1,000,000.00
United States Government Bonds	21,073,253.79	Surplus	1,500,000.00
State, County, and Municipal Bonds	13,127,221.21	Undivided Profits	739,414.36
Corporate Bonds and Securities, Including Stock in Federal Reserve Bank	1,309,898.33	Reserve for Contingencies	100,000.00
Loans and Discounts	14,117,097.86	Reserve for Dividends—Not Declared	25,000.00
Bank Building	785,513.69	Reserve for Taxes, Interest, etc.	194,578.80
Furniture and Fixtures	118,511.71	Income Collected—Not Earned	91,512.06
Other Real Estate	27,126.38	Letters of Credit	15,968.90
Income Earned—Not Collected	274,077.58	Deposits	64,897,962.24
Customers' Liability—Letters of Credit	15,968.90		
Other Assets	17,901.27		
Total	$68,564,436.36	Total	$68,564,436.36

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

When Inflation Comes, Deflation Cannot Be Far Behind

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likewise establish sound international financial practices and look upon foreign investments of capital as permanent investments from which income will be derived from increased production or we will bring on another collapse of the international exchanges just as we did in the 30's. We were among the greatest losers as a result of the breakdown of the international exchanges. We lost a large part of our foreign investments, we reduced our own standard of living and that of the rest of the world through the collapse of the international exchanges and trade.

The stabilization of the currencies is the first essential, but the first step in currency stabilization is for each country to firmly establish its own currency with such help as other countries can give or a group of currencies through an international stabilization fund. But the burden of responsibility and success rests upon each individual country. Gold will remain, as it has been for generations, the uniform international currency of the world. The size of each individual unit of currency or the name makes no difference.

Debts and Taxes

After World War I and the reconstruction loans the Federal debts amounted to about 26 billion dollars. We aided the rest of the world to stabilize their currencies. We loaned them gold and sold them capital and consumer's goods on credit. We became the world's great creditor nation. But we held onto our high tariff policies. Investors demanded protection from the low costs of production of foreign countries, labor demanded that their jobs be protected from the cheap goods of European and Asiatic labor, the farmers demanded protection from the low prices of South America, Australia and Canada, and we proceeded to shut the door to the collection of the proceeds of our foreign investments in the only way that they could be collected—in foreign goods. This policy brought on wholesale defaults on the part of our foreign borrowers. In the meantime we created domestic prosperity by selling our production abroad on credit, paid off 10 billion of our domestic Federal debt, inflated our bank deposits more than 100% and gradually reduced our foreign trade as our foreign borrowers were unable to buy or pay. Our domestic credit inflation created a large measure of false prosperity and collapsed with our foreign securities and the foreign exchanges in the early '30's.

After this war and the reconstruction our foreign debt problems may or may not be so large owing to lend-lease financing. Foreign countries will need plenty of our capital and consumer goods provided we are willing to sell them on credit. If we do sell to foreign countries on credit we know that we cannot collect in gold. The proceeds must be invested in the capital and productive facilities of the foreign countries and we must accept pay in the goods produced. All this will make for lower prices and a more abundant supply of goods in the United States, and the whole world for that matter. The statesmen of both of the leading political parties are promising these global results. But the economic and political repercussions are yet to be dealt with. The labor unions, the farmers and the investors who have given their all to win the war will have something to say and will say it at the ballot box.

But what of our Federal debt? It is estimated that this debt will reach the sum of 300 billion dollars. Can it be paid in honest dollars? Dr. O. Glenn Saxon said in these columns: "It can, and must be borne and redeemed in honest dollars if we are to avoid national bankruptcy and dictatorship." With his clear-cut demand any honest man will agree. It would be an unthinkable fraud to cheapen the dollar even as France cheapened the value of her currency. What gratitude for the buyers of savings bonds, the soldiers who will return with small savings and small pay, and the millions of people who have worked and saved only to find that it was all a fraud? Cheapening the dollar, or repudiating the debts won't do. We must pay and pay in honest dollars or face consequences more serious and disturbing for generations than the hardships of the war itself have been. Britain will pay her domestic debts and restore sound money, and the policy as advocated by Prime Minister Churchill in his radio address of March 21, in my opinion has had a disillusioning effect upon some of our would be repudiators and inflationists. Britain feels her responsibility to the investors in war bonds, and the returning soldier and has announced so to the world. Will we likewise pay and pay and stand the hardships? This is the best policy, but it is not a road of ease and leisure nor is any other solution.

Deflation and Debt Payments

After the Civil war we followed the admirable policy of returning the dollar to par and paying the debts. After a few years of reconstruction and a boom growing out of railroad building we had at least 30 years of deflation and so called hard times. After the Napoleonic wars in Europe the struggle against inflation and debts lasted for about 40 years. This was a period of deflation, declining prices and business depression. After World War I the United States, the British Empire countries and many neutral countries returned to sound money and accepted deflation as wise policy. International debts were defaulted on the part of many countries who decried the policy but claimed that at the time there was no other solution until the creditors were willing to take goods for payment. If this war is followed by an abolition of tariffs I venture to guess that the British Empire countries will pay their international debts, even those that were defaulted after World War I.

But what will be the effect upon our domestic economy of paying off even half of 300 billion dollars debts over the next 50 years? This seems to me the only sound solution, but will the taxes and the deflationary effect of these policies of sound fiscal finance and money hurl our economy into a period of deflation similar to that following the Napoleonic wars, the American Civil war and the first World war? Because of the greatly improved production capacity of modern business, and the speed of communications and transportation it does not seem necessary that we repeat either the mistakes or hard times of these past periods. Nevertheless that there may be shorter periods of hard times and even defaults can hardly be doubted. However these periods of depression will be lessened by the courage and determination to pay our debts as we would have our debtors pay theirs. It would be a great stabilizing factor to know exactly what the policy is going to be, and to know that it will be a policy that we will not waver from or in any way compromise with fraudulent practices but hold rigidly to honesty and square dealings.

Reconstruction and Inflation

The cessation of hostilities will usher in a reconversion to peace time production and business such as never before witnessed. The job is much larger than after World War I and far more costly. The shortage of peace time goods exceeds that of 1918 in everything from motor cars to food. The grab for materials and supplies may be a stampede. Government regulations may slow down the progress. But the volume of business activity for a couple of years after the transition period will probably make new peace time records. After this short period of reconstruction and replenishing of peace time needs is over a let down in both business and prices will probably duplicate that following the major wars of the past. The time duration of this deflationary period should be much shorter than the depression following the American Civil war or the Napoleonic wars because of the speed of modern readjustments made possible by transportation, communication, new and greater variety of economic goods and opportunities, and the promise of reduced trade barriers throughout the world. The period of readjustment and stabilization after World War I was interrupted by the preparation for the present war and no valid comparison can be made.

The excess purchasing power in the hands of the public may create such a demand for the short supply of goods the first year of peace that price inflation will get out of bounds. Such a rise in prices will correct itself when the excess purchasing power is spent and the supply of goods increased to meet the demand. The real danger lies in the excess currency, bank deposits; and the large amount of the Federal debt owned by the banks. Every bond is purchasing power equal to its market value in dollars, every bank deposit is worth its face value in dollars and every dollar is worth what it will buy. A decline in the prices of bonds would embarass the banks. After every war in the past bond prices have declined sharply with the return to sound money and free markets. Will the history of money market and bond prices be repeated after this war? If an effort is made to restore sound money policies, interest rates will rise, bond prices will fall and a period of deflation will follow. But if we are unable to stand reality and continue a monetary inflation policy in order to maintain bond prices at par and protect the banks at any cost then an era of cheap money, inflation, and declining value of the dollar will be inavoidable. After World War I France devalued her currency 80% and wholesale prices rose to more than 700% of the 1913 level. By 1935 about half of this increase in wholesale prices was lost for strictly French domestic goods but by the beginning of the present war the wholesale price level had regained most of this loss from deflation and was again close to the inflation peak of 700% of the 1913 level. Devaluation and

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"One-Man" Parties Seen Freedom Threat

(Continued from first page)

rights and responsibility is reviving all over the country" and that "the States are, as never before in our time, showing a capacity for good government." Of the 40 Governors at the recent Governors' Conference in Columbus, he noted, "anyone of 10 of them would make good Presidents of the United States."

Submitting these as "elements of hope in the present situation" Prof. Moley at the same time cautioned that "the danger of the new personal federalism is very great." "When we develop one-man parties" he warned, "we are only a step from a one-man State." He concluded by urging that there be kept in mind "the necessity that American citizens who love their country should be helpful in keeping party Government alive and be patient in the efforts of Congress."

Prof. Moley's remarks follow substantially in full:

It becomes my pleasant duty, as a Trustee of the Tax Foundation, to welcome this goodly group of men from American industry. These annual meetings, of which this is the fourth, are the outgrowth of requests by industrial corporations to provide opportunity for off-the-record discussion of technical matters of taxation and related industrial problems. At the moment, there is no tax bill in sight. But there are other serious questions that confront industry. These are questions that may well justify the holding of this conference. They include the question of reserves for postwar contingencies and the termination of war contracts. . . . I shall avoid any discussion of the subject that brings you together, for the simple reason that I have no desire to carry coals to Newcastle. It has been suggested merely that I offer you the somewhat pessimistic suggestion that no matter what the figures may be that you men of business add up, so long as government provides the adding machines, you cannot be certain that your computations will be what you expect them to be.

I am reminded of a conversation that I had, during the Supreme Court fight six years ago, with that magnificent old statesman of the House of Representatives, Hatton Sumners. He had not yet made the speech that, by popular consent, was the death knell of court-packing, but in the privacy of his office there was no doubt about his convictions. He said to me something like this:

"The whole question of what we are going to do to the Supreme Court depends upon the kind of government that we want to create. The organs of a living being are determined by the sort of medium in which that living being expects to live. If it is an animal that lives in the air, it will need lungs; if it is going to live in the water as a fish, it will not need lungs."

Your calculations, I need not remind you, depend, in the last analysis, upon the sort of economic society in which you will be expected to produce goods. You cannot be equipped with the organs of a fish and be expected to climb mountains, nor can you be equipped with the organs of an animal and live under water. I need not discourse upon the reasons why the government holding certain economic views and theories cannot provide the essential atmosphere in which business can meet postwar problems. If you believe, as I do that there are impossible obstacles, I need not take your time by telling you what they are. If you do not so believe, I can't help you; you will just have to live and learn.

The jobs that American industry will be expected to do, however,

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A Vital Message To All Shoe Buyers

FROM THE

International Shoe Company

BECAUSE there has been considerable misunderstanding regarding the quality of shoes now available to civilians, it is important that you become acquainted with the facts.

Perhaps this message from America's largest manufacturer of shoes will be helpful to you.

At present, our Government has first call on shoe materials. Millions of pairs of shoes are being manufactured annually for our armed forces. These shoes are built according to rigid government standards. Only the best materials and skilled workmanship are suitable. Neither you nor we would have it otherwise. Victory demands it.

But—does that mean good shoes—dependable shoes—are not to be had by civilians?

Not at all—*you can still buy good shoes.* The honor and integrity of the International Shoe Company stand behind that statement.

We, as well as other shoe manufacturers, could make more shoes were we willing to disregard quality—*but quality is the essence of this message*—and this company is determined not to use present conditions as an excuse for lowering the moral standards of its product—standards maintained for more than forty years.

Despite heavy demand from our armed forces, there is still a sufficient quantity of good, serviceable shoe material available to meet essential civilian requirements. We assure you that we will continue to manufacture shoes that will return full value for your dollar—and satisfactory shoe mileage.

You may continue to have confidence in the shoes made for men, women, and children by this company. We shall keep faith with the wearers of our shoes.

INTERNATIONAL SHOE COMPANY, St. Louis, Mo.

Frank C. Rand
CHAIRMAN OF THE BOARD

Byron A. Gray
PRESIDENT

INTERNATIONAL SHOE COMPANY

Sales Branches

St. Louis, Mo.	**St. Louis, Mo.**	**St. Louis, Mo.**	**Manchester, N. H.**
Roberts, Johnson & Rand	Vitality Shoe Co.	Continental Shoemakers	Sundial Shoe Co.
Peters	Queen Quality Shoe Co.	Conformal Footwear Co.	Great Northern Shoe Co.
Friedman-Shelby	Dorothy Dodd Shoe Co.	Pennant Shoe Co.	Interstate Shoe Co.
Hy-Test (Safety Shoes)	Winthrop Shoe Co.	Jefferson Shoe Co.	Metro-Craft Shoe Co.

Lady FASHION HEEL-LUP by FRIEDMAN-SHELBY
Heel Latch SHOES
Star Brand J & R SHOES
Uptown SHOES FOR THE MAN ABOUT TOWN
Vitality SHOES
CONFORMAL SHOES
Peters Diamond Brand Shoes
RED GOOSE SHOES
Poll-Parrot SHOES For Boys and Girls
Winthrop Shoes
Queen Quality SHOES
Dorothy Dodd
WEATHER-BIRD SHOES
Sundial
Velvet Step SHOES
Happy Hikers THE LONGER-WEARING Junior SHOES
FRIEDMAN-SHELBY SHOES
Foot Fashion Shoes
P S CITY CLUB
HY-TEST SAFETY SHOES

When Inflation Comes, Deflation Cannot Be Far Behind

(Continued from page 308)

inflation did not prevent deflation and depression in France but greatly increased the amplitudes of inflation and deflation.

After the post war boom perhaps two or three years at most we must expect substantial deflation. However the duration of this deflation depends on the monetary policies pursued. History leaves no doubt about the wisdom of pursuing a sound money policy and paying our debts with honest dollars. But the popitical expediency of the times may lead to the adoption of policies permanently detrimental to our national welfare.

Investing to Hedge Against Inflation or Deflation, Which?

How would you invest your capital and your savings if you knew what the future money, debt and tax policies were to be? If you do not know how will you invest? Would it further stability and production to know what the policies are to be?

We should know the policies. We should expect sound money and strictly honest financial policies. For the mass of investors to be in doubt is to encourage chaos. Most investments must be made for a long period of time but constant vigilance and management are necessary. The present large volume of short term investments in this country is extremely dangerous. A sudden movement of this vast short term capital investment or flight from the dollar would create a crisis such as we have never seen. Any such fear should be avoided.

An analysis of the results from investments in the highest grade bonds of the many countries that went through inflation and devalued their currencies after World War I shows that the investor lost in purchasing power over a period of ten years roughly the percentage of the currency devaluation. Similar investments in the bonds of countries that did not devalue show that the loss in no case amounted to more than 20% and in most cases was much less.

In the countries that did inflate and devalue their currencies common stocks were not a satisfactory hedge but they were far better investments than bonds. A select list of common stock investment as of January 1, 1914 such as were actually held by investors in the United States would have shown the following results as of January 1, 1928: France a loss of 66% of the original capital value of the investment; Germany 50%; Italy 55%; Austria 72%; Belgium 38%; and Hungary 77%. Interest payments on the bond investments in many cases ceased and the value of all interest payments declined in proportion to the devaluation of the currencies. While the dividends on the common stocks declined during the inflation depression, in the recovery periods the increase of the dividends was very satisfactory.

Similar investments in the highest grade bonds of the countries that did not devalue their currencies but returned to sound money and honest payments of their obligations would have maintained the investor's purchasing power with a regular income and without default throughout the period. These countries included Sweden, Switzerland, Norway, Denmark, Holland, England, Canada and the United States.

Taking select investments in common stocks of these countries such as actually held by investors in the United States in January 1914 and maintained until January 1928 showed a regular income from dividends, and with very substantial increases in the 20's. The capital value of the common stocks held through this period did not show a loss for any one of these countries and in some cases showed an increase of as much as 200%. Most of this capital gain however was lost in the collapse of the securities markets in 1929 and 1930.

This investigation conclusively shows the advantages of investing in the securities of countries that avoid both currency and credit inflations.

The CHRONICLE invites comments on the views expressed by Dr. Wright, in this article, or on any related phases of the subject under discussion. Comments should be addressed to Editor, Commercial and Financial Chronicle, 25 Spruce Street, New York.

N. J. State Banks Urged To Join Fed. Reserve

The New Jersey State Banking Advisory Board on July 7 again urged all New Jersey banks and trust companies not members of the Federal Reserve System to take steps to obtain such membership. Deputy Banking Commissioner John T. Connolly, Secretary of the Board, said that unaffiliated institutions were urged to join the Federal Reserve System last Sept. 11, but that the response has not been what the Board thought it ought to be. As far as he knows, only one or two banks have entered the system since September, Mr. Connolly added.

First National Bank Of Miami Elects Meeks Exec. V.-P.; Crandon & Reeder Named V.-Ps.

Two important changes in the official personnel of The First National Bank of Miami, Florida, were made at a meeting of the board of directors on June 22, when Charles H. Crandon was elected Vice-President and Carl Meeks was named Executive Vice-President.

In a statement to the press, Edward C. Romfh, President and Chairman of the Board of the bank said, "Mr. Crandon is a man of sterling character, eminently successful in business and a widely known civic leader. He will serve in an advisory capacity to our senior officers and as Assistant to the President of this bank."

Charles H. Crandon

Carl Meeks

Clifford H. Reeder

Regarding the activities of Messrs. Crandon and Meeks the announcement from the bank says:

"A director of The First National Bank of Miami since 1940, Mr. Crandon is President of the Crandon Wholesale Drug Co. which he established in 1916. He is a native of Acushnet, Mass.

He is Chairman of the Finance Committee of the Dade County Commission, and has served as County Commissioner continuously for 14 years. He has been prominent in the artistic and cultural development of Miami and Dade County, particularly in beautification plans and musical circles. He organized the county park system and is a director of Fairchild Tropical Garden. One of the largest parks in the nation, now being developed on Biscayne Key, opposite the mainland of Miami, has been named Crandon Park in his honor. He is President of the Miami Civic Music Association, which he organized to present nationally and internationally known artists in recital in Miami.

"Mr. Crandon was the original sponsor of the Rickenbacker Causeway, now under construction, which will connect Miami with Virginia and Biscayne Keys; is a member of the executive committee of the Dade County Defense Council and was responsible for the first war bond organization in Dade County. He is Chairman of the County Board of Health, which he organized, and is a trustee of the University of Miami. In 1929 he received the civic achievement award from The Miami "Herald," and in 1938 won the Greater Miami citizen award from the Miami "Daily News."

"Mr. Meeks has been Vice-President of The First National Bank of Miami since 1941, and upon assuming duties as executive Vice-President was also elected to the board of directors. He began his banking career in 1906 in Coffee County, Ga., and was Assistant Cashier of the Brunswick Bank & Trust Co., Brunswick, Ga., immediately prior to coming to Miami in 1919. He handled his own real estate investments in Miami from that date to 1933, when he was appointed liquidating agent by the State Comptroller of Florida. Duties of liquidating the Bank of Bay Biscayne, Biscayne Trust Co., Trust Co. of Florida, Guardian Trust Trust Co. and Dade County Security Co. occupied his time until he became affiliated with The First National Bank of Miami."

It is also announced that another recent addition to the official family of The First National Bank of Miami is Clifford H. Reeder, who was elected Vice-President. As to his connections the advices from the bank state:

"A native of Athens, Tenn., Mr. Reeder has lived in Miami 31 years, and returns to the banking field after an absence of nearly 10 years. He was President of the First State Bank of Hialeah and the Bank of Miami from 1929 to 1934. Mr. Reeder has served 10 years as City Commissioner of Miami, and his present term of office will expire in 1945. Four of those years he has served Miami as Mayor, from 1929 to 1931 and from 1941 to May of this year. He also has been engaged in the real estate business for 15 years. Active in civic affairs, Mr. Reeder is a charter member of the Veterans of Foreign Wars and the American Legion, and is a past commander of the Harvey Seeds Post of the latter organization. He has been a member of the Rotary Club for 25 years."

Other Vice Presidents of The First National Bank of Miami include Laurence Romfh, son of Edward C. Romfh, President and Chairman of the Board; Alec Baker, George B. Romfh, William C. Hill, C. E. Klugh, H. F. Northrop, C. C. Nielsen and C. E. Buker. David B. Alter, Jr., is Vice-President and Trust Officer, and Olin G. Symons is Vice-President and Cashier.

Economic Cooperation Between Mexico, U. S. Urged In Joint Report

Full economic co-operation between the United States and Mexico during and after the war "for the maximum development of both nations" was urged on July 18 in a report by the Mexican-American Commission for Economic Co-operation made public in Washington.

A report to President Roosevelt and President Avila Camacho said:

"The days of exploitation or economic imperialism, whether by nations or by powerful private groups, are past—no future Mexican or United States government will condone or permit their reappearance."

Associated Press accounts from Washington, in its advices in the matter further reported:

"Recommendations for Mexico included full development of food supply, immediate and long-range industrial projects, concentration on production of war materials, a program of public works projects, and expansion of transportation, communications, merchant marine and fisheries.

"Named by the two governments after President Roosevelt and President Avila Camacho conferred in April, the Commission seeks to correct Mexico's disturbed international trade, thrown out of kilter by the war, and at the same time keep strategic materials flowing to the United States.

"President Avila Camacho expressed "sincere satisfaction" with the commission's conclusions. President Roosevelt said the recommendations "are indeed in the spirit of friendliness and mutual understanding."

"A joint statement released by the State Department said "the governments of Mexico and the United States of America manifest their determination to take without delay the necessary steps to carry into effect the conclusions" in the report.

The report said Mexico's imports from the United States shrank from $159,000,000 in 1941 to $147,000,000 in 1942, while her exports to the United States increased from $141,000,000 to $179,000,000. Her imports were $59,000,000 in the first four months of this year and exports $73,000,000.

The increase in imports and "restricted availability" of important items Mexico desires to purchase, the report said, contributed to her balance-of-payments problem.

Mexico, the Commission said, will continue to concentrate on production of strategic materials and the United States "will continue to deliver supplies and equipment to make the production possible" during the war period.

The United States undertakes it added, to supply necessary repair and replacement parts unobtainable from other sources for the agriculture program. New equipment must be provided if "present modest goals are to be attained."

The Commission recommended that an industrial Commission be created by Mexico, with a representative of the United States as a member, to develop and carry forward long-term programs for industrialization of Mexico.

Orderly development of electrical, steel, rubber, cement, chemical, textile, sugar and alcohol, and pulp and paper industries, were considered so the industrialization may "proceed at as rapid a pace as possible consistent with the necessary restrictions on the use of critical materials and equipment during the war."

President Rosevelt's trip to Mexico was referred to in our issue of April 22, page 1490.

June War Expenditures Were $7.7 Billions

War expenditures by the United States Government during the month of June amounted to $7,688,000,000, an increase of $315,000,000 over May, or 4%, the War Production Board announced on July 14. The Board's advices stated that "the average daily rate of expenditures in June was $295,700,000 compared to $283,600,000 in May, also an increase of 4%. The daily rate is based on the 26 days in each month on which checks were cleared by the Treasury."

The WPB announcement further said:

"Expenditures for war purposes for the fiscal year 1943 amounted to $75,100,000,000, or 2.7 times as much as the $28,300,000,000, expended in fiscal 1942, and eleven times as much as the $6,700,000,000 spent in fiscal 1941.

"From July 1, 1940, to June, 1943, inclusive, expenditures for war purposes by the United States Government amounted to $110,000,000,000.

"These figures cover war expenditures by the Treasury and Reconstruction Finance Corporation and its subsidiaries."

NY City War Plants Hiring More Workers But Upstate Levels Off

The manpower shortage in certain areas of upstate New York has been reflected by the stabilization of employment in war plants during the past three months, according to the New York State Department of Labor. In New York City, where the recruitment of labor does not yet present a serious problem, war industries have continued to hire additional workers. Employment in war plants throughout the State has been characterized by a shift in the employment of men and women with more and more of the men entering the armed services being replaced by women workers. During the past year the number of women employed in war plants in the State has more than tripled, so that women now comprise 24.2% of the total number in the metal and machinery group.

The Department's announcement of July 15 further explained:

"From May to June there was a slight drop in total employment in New York City and a small increase upstate. The decrease in New York City was principally the result of the seasonal decline in the apparel industry which more than counter-balanced employment increases in war plants.

"The New York State Department of Labor's index of factory employment for June was 159.4, an increase of 0.1% from May and an increase of 14.4% over June a year ago. The payroll index was 287.7 this month, which represents an increase of 1% over May and of 35.7% over last June. These indices are based on the average of 1935-1939 as 100 and are prepared by the Division of Statistics and Information. Average weekly earnings were $44.72 this month compared with $37.68 a year ago. The above statements are based on final tabulations covering reports from 3,172 manufacturing firms throughout the State.

"Among the civilian goods industries, the largest employment losses from May to June were reported by the tobacco and apparel groups. Employment was slightly higher in the food, furniture and printing industries. Payrolls advanced in all of the non-durable goods industries except apparel and leather products."

Seasonal Decline in Apparel Industry Smaller Than Usual

"The seasonal decline from May to June in the clothing industry was much smaller than for the same period last year. The employment decrease amounted to 2% this year compared with an 18% loss in 1942. The payroll decline was only 1%, whereas it was 24% from May to June last year. Although dress manufacturers laid off many workers, there was a general wage-rate increase in the dress industry of about 6%. The coat, suit and skirt houses were busier as they started work for the fall season. A few of the larger men's tailoring firms upstate reported increased activity. Employment and payrolls continued to decrease in most other branches of the apparel group.

"The food industry reported a substantial payroll gain of 3.6% while employment increased only 0.4%. Producers of dairy products, sugar and beverages employed many additional workers; meat packers and canners hired a few more, while candy and macaroni factories curtailed activity. In the chemical industries, employment increases in plants making cosmetics, soap and linseed oil were more than offset by losses among those producing drugs, industrial chemicals and fertilizers. In the stone, clay and glass group, manufacturers of abrasives and insulators reported increased production but those making building materials curtailed operations sharply."

New York City

For the fourth consecutive month, employment in the metals and machinery industry in New York City showed a fairly large increase. This gain amounted to 2.1% from May to June, accompanied by a 1.8% increase in payrolls. Employment was 25.5% higher for the group than last June and payrolls were 46.2% greater. Aircraft plants had the largest increases for the month; shipbuilders also hired more workers. * * *

The Syracuse district had the largest employment increase for the month of any of the industrial areas throughout the State. The labor shortage, however, is beginning to make itself felt in this district so that expansion in war plants has been cut down to a slower pace than during the earlier months of the year. * * *

War production has assumed increased importance in the Bingnamton - Endicott - Johnson City area in recent months. From May to June total employment for the district increased 0.7% in spite of a decline in the shoe industry. Both Buffalo and Rochester showed very small employment gains during the month. Because of the labor stringency in these areas, a general leveling off of employment has been evident for the past few months.

Form Group To Aid In Settling Claims On Foreign Property Loss

The National Foreign Trade Council, New York, announced on July 10 the formation of a foreign property holders protective committee to facilitate the establishment and collection of claims by American corporations and individuals suffering losses resulting from wartime destruction and seizure.

The committee, organized by the Council in consultation with its members having property holdings in enemy and enemy-controlled countries, will seek "to avoid the difficulties that arose following the last war in establishing proof of claim, and to prevent a repetition of the inordinate delay in the settlement of these claims."

In the New York "Times" of July 11, the following additional details were reported:

"Participation in the activities of the committee, however, will not be confined to members of the Council. The body will function as "a policy-forming group," representing the private interests involved, and as the instrument through which the individual may seek the benefits of united action in representations to Government departments "concerning the principles to be applied in seeking restitution of, or compensation for, losses and damages suffered." The committee, it was stated, is not an agency to handle and negotiate the settlement of individual claims, "this being a matter of direct dealing between the individual claimant and appropriate Government departments."

"The committee objectives are:

"1. To determine the principles which should govern calculations of the amount of loss, the formalities required for establishment of proof of loss and the manner in which compensation should take place.

"2. To present the principles mentioned above to the United States Government and, when appropriate, to other governments, so that the interests of foreign property owners may be adequately taken care of in the peace treaties or other settlements.

"3. To gather and collate all information pertinent to the proper prosecution of claims so that all participants may be adequately informed of the treaties, laws and regulations in the various countries and territories.

"4. To maintain close contact with the proper authorities so that the property, rights and interests in territories occupied or reoccupied by the Allied nations may be adequately protected without delay."

Federal Home Loan Banks' Dividends At $832,198

Dividends paid by 10 of the regional Feedral Home Loan Banks for the first half of 1943 amounted to $832,198, James Twohy, Governor of the Federal Home Loan Bank System, announced on July 17. The other two of the regional Banks declare their dividends on a yearly basis, he said. Of this amount, it is announced $583,054 went to the Reconstruction Finance Corporation, owner of the Government's stock in the regional Banks and $249,144 to the 3775 member thrift and home-financing institutions of the System, including savings and loan and homestead associations, cooperative banks, mutual savings and insurance companies.

Since they were established more than 10 years ago, the Federal Home Loan Banks have paid a total of $20,310,127 in dividends —$15,527,075 to the Government and $4,783,052 to the member institutions. At the end of May, total advances of the Federal Home Loan Banks to their members amounted to $1,007,214,459, of which $927,993,100 had been repaid.

New Horizons

Because of the increased wartime demand for petroleum products, America's reserves of crude oil in the ground are being drawn upon more rapidly than they are being discovered.

The Pure Oil Company employs a staff of more than 100 skilled geologists. To these men much of the credit is due for the outstanding record in exploration, expansion and development of Pure Oil properties during the past 28 years.

Last year through the efforts of these men The Pure Oil Company was again able to show a substantial increase in oil reserves.

Pure Oil reserves, below ground, were greater at the end of the year than at the beginning of 1942.

Today the oil reserves of our nation as a whole are diminishing, and Pure Oil geologists are more determined than ever to help replenish them. With plane tables and stadia rods they are sherlocking the nation, from coast to coast, from the Canadian border to the Gulf of Mexico, in search of new oil-producing areas. With magnetometers and seismographs they are injecting man-made earthquakes deep into the subsurface strata of already active fields in quest of "new horizons."

Supplying the oil we need for war, and for civilian needs now and after the peace, is a herculean task. Our geologists and production engineers have accepted the challenge, and can be counted on to do their part to help bridge the gap between supply and demand.

The Pure Oil Company, U.S.A.

GOING DEEPER . . . To help meet the nation's growing need for greater oil reserves, Pure Oil production men are drilling to "new horizons."—deeper oil-bearing formations—wherever possible today.

Over-the-Counter Trading On The National Securities Exchanges

(Continued from first page)

exchanges whose transactions are largely in securities of national interest, and on which price changes are actually determined by transactions, would be limited to the New York Stock Exchange, the New York Curb Exchange, the Chicago Stock Exchange, and the San Francisco Stock Exchange. On these stock exchanges there is a large volume of transactions in securities which have predominately a local market interest. Unhappily there is a large number of securities traded on all these exchanges which could not qualify for an auction market.

Functions of the Markets

The New York Stock Exchange is an auction market for listed securities which for the most part are of national interest. The Curb Exchange, the Chicago Stock Exchange and the San Francisco Exchange all have listed securities which are of national interest but the relative number of securities of local interest is larger in proportion to their total listings than in the case of the New York Stock Exchange. Many of the other National Securities Exchanges have listed some stocks of national interest but their listings and their business are primarily local. Prices of securities listed on the larger exchanges, when traded on these local exchanges, are determined for the most part by the prices on the so-called "Big Board."

All of these developments seem to be a process of evolution brought about to meet economic conditions and local needs. No one will doubt that the most qualified development of the auction market and specialist systems are on the New York Stock and Chicago exchanges. It is probable that in time economic changes will necessitate the development of real national securities exchanges in the case of some of the smaller regional exchanges. In the mean time they are perhaps serving a local need, and time, free enterprise, and economic changes should be allowed to determine their fate. Any attempt to force these regional exchanges to grow beyond the local economic demand will doom them to costly failures.

The number of corporations in the United States which have sold securities to the public probably exceeds 500,000. But only about 1,500 of these corporations have listed their securities on the New York Stock Exchange. The total number of corporations whose securities are listed on all National Securities Exchanges perhaps would not exceed 3,000, and no doubt half of these are predominately of local interest, and have no real national distribution of their securities.

In addition to the hundreds of thousands of small corporations whose securities are not listed on any exchange, there is that vast body of securities representing strong and large corporations whose securities are closely held, such as the Ford Motor Company, Corning Glass Works, General Analine & Film Company, and the banks, insurance companies and a miscellaneous variety of the most desirable securities from the standpoint of the investor. In fact many of the best investment securities listed on the exchanges are so closely held at times that they can not be considered as meeting the required characteristics of an auction market Where the spread between the bid and ask prices varies from one point to several hundred points, as in the case of Coca Cola International, an auction market is not practical. In fact it is misleading to have such transactions on an auction market.

As every one interested in securities knows, the market for investment bonds of all types and grades is largely over-the-counter. These securities qualify for a negotiation market, and include such as all U. S. Government obligations, State and municipal bonds, the investment grade rail and utility bonds. The more speculative, uncertain and risky bonds have a very good auction market on the New York Stock and Curb exchanges. But even these bonds have never been marketed in any large volume on any of the other National Securities Exchanges. The auction market seems to serve best for securities in which there is a large speculative public interest. To function as intended an auction market needs volume, a large number of buyers and sellers where bid and ask prices can be matched within an eighth and a quarter spread. It seems clear without further debate that high grade investment securities closely held of all types and the corporation securities of local interest do not qualify for auction trading. To list these securities on the exchanges would require a totally different system of trading organization to handle them. A system has developed to handle this business according to the economic demands of the buyers and sellers in the over-the-counter markets. The over-the-counter markets have their faults, as do the listed markets, but it still remains to be proved that the uprooting of this well established system of over-the-counter markets which the public has developed would better serve "the public interest" than it is now being served.

There is much misleading propaganda put out under the pretense of "the public interest," and the "protection of the investor."

The Securities and Exchange Commission should define fully what these terms mean in the law, and the definitions should be in language that the investor and the public can understand and not in phrases for lawyers to quarrel over and politicians to make propaganda out of.

If it was in the best interest of the public and the investors to change the existing system of trading in securities both the dealers and the investors would demand those changes once the SEC, or the exchanges or any one else has made sufficiently clear that the public would gain by the change or that the investor would be protected. This phrase "to protect" the investor is a dangerous one. What does it mean? It does not mean to protect the investor against loss from price changes, or against economic changes which may impair or destroy the business in which he invests his savings, nor even against ill-advised laws and the attacks of politicians for selfish gain, which impair the value of investments.

The only way that the exchanges and the dealers in the over-the-counter markets can protect the investor is to keep him informed of all the available information about the securities he buys and other securities which might serve his needs better. But no dealer or broker has all this information. Most firms in the securities business depend on investment or trading services, and a historical record of the success of the advice of these services, I venture to guess, will show that not one of them has been right 50% of the time over a period of years. And this is no criticism of the honesty and integrity of any of these services or of the brokers. Rather I prefer to emphasize the uncertainty and dangers in all investment and speculation. In this connection the greatest need of all brokers, dealers, investors and the personnel of the SEC is a thorough knowledge of industrial, financial and business history. I mean a knowledge of what actually happens in the way of failure, profits, losses, and the constant change that goes on in all business enterprise.

The average life of stocks listed on the New York Stock Exchange probably does not exceed 10 or 15 years, in spite of the fact that there may be some 50 or a 100 years old. A look at the corporations that come into existence each month and the number that go out of business each month will show that at times many more corporations die than are born. This is not only true of industrial corporations. Today we have at least ten thousand less banks than we had 15 years ago. These same conditions of change or failure will be found in all industry. Once I was told a story of the motor car industry by a well informed man who had spent his life in the industry and made a fortune. I can not remember the details but it is essentially this. Of some 400 motor corporations which had been financed, only 40 were then in existence, and these forty had been consolidated into four companies, and of these four only two were then paying dividends. Yet during this time we have produced a much better car at less cost and the public certainly is better served with motor cars as a result of the trials and errors, successes and failures, losses and gains. Many men have been made rich in the motor car industry, but many more have been made very poor. Now the real purpose of this information about economic and industrial changes is to get at an understanding of how to "protect the investor." In my opinion there is no protection. The best possible information, and an alertness to get out of the more risky into the less risky investment or speculation, if you please, seems to me the only protection. It is my hope that "the public interest" will be protected against the destruction of progress and improvement by well wishers who would, by their zeal to protect investors who want to speculate, restrain new developments and thereby destroy capital, profits and consumers' goods.

The over-the-counter markets evolved in a natural way in this country to meet the needs of the investors, speculators, and the trade and it would seem extremely dangerous to take any measures that might destroy what the intelligence of society has produced.

The greatest service the Securities and Exchange Commission can perform for the markets is to eliminate the red tape, unnecessary costs, useless reports, simplify all accounting and legal requirements and delete unnecessary information which does not bear upon the value of the securities.

31,774 New Freight Cars On Order By Roads July 1

Class I railroads on July 1, 1943 had 31,744 new freight cars on order, the Association of American Railroads announced on July 20. This included 3,494 plain box; 2,525 automobile box; 6,669 gondolas; 17,532 hoppers; 200 stock and 1,324 flat cars. On the same date last year they had a total of 39,530 on order.

The Class I railroads also had 1,024 new locomotives on order on July 1, this year which included 506 steam, five electric, and 513 Diesel locomotives. On July 1, 1942, they had 917 locomotives on order which included 350 steam and 567 electric and Diesel.

The Class I railroads put 9,415 new freight cars in service in the first six months of 1943, compared with 48,769 in the same period last year. Those installed in the six months of 1943 included 3,345 hopper, 4,018 gondola, 1,387 flat, 135 automobile box, 481 plain box, two stock and 47 miscellaneous freight cars.

New locomotives put in service in the first six months this year totaled 1,293, of which 200 were steam, 13 electric, and 80 Diesel. New locomotives installed in the same period last year totaled 365, of which 148 were steam and 217 were electric and Diesel.

Unify Peru Internal Debt

Unification of the Peruvian internal debt, merging all internal loans into one which will pay 6% a year interest, was announced on July 12 by President Manuel Prado.

In Associated Press advices from Lima, appearing in the New York "Sun" the following was reported:

"The loans being merged have various interest rates. Describing the move over the national radio as 'one of the most important financial measures ever undertaken in Peru,' Prado stressed that 'despite restrictions created by the world war, Peru's economic conditions are bright.'

"He added that the country had canceled several external loans and had contracted no new ones. Credit opened for Peru three years ago by the Export-Import Bank of Washington amounting to $25,000,000 had not been touched, he said."

Construction Contracts 50% Below Last Year For First Six Months

Construction awards in the 37 eastern states aggregated $1,851,272,000 during the first six months as compared with $3,723,725,000 in the corresponding period 1942, according to F. W. Dodge Corporation on July 23. The decline in the three major categories were: non-residential building down 54%, residential building down 50% and heavy engineering work down 44%. The greatest dollar declines were in manufacturing buildings, miscellaneous non-residential buildings, public works, utilities and one family houses all of which are types of construction which were pushed in 1942 so as to expand the nation's war production capacity and to provide military and naval training facilities. The report added:

The month of June showed only a minor decline of 2% from the preceding month due primarily to a drop off of $22,577,000 in heavy engineering work. Manufacturing buildings with a valuation of $53,717,000 was more than double the May total of $24,206,000 but fell far below the June, 1942 figure of $271,801,000.

June residential building, amounting to $61,508,000, was $1,783,000 below May, but ran just about a third of the June, 1942 total of $185,471,000.

Tomorrow's Markets Walter Whyte Says—

Popular following brought in by Dow theory signal not bullish sign. Selling frequently appears to be better than buying.

By WALTER WHYTE

After a hectic week with both averages making new highs and the news of the Rome bombing making page one stories, the market acquired a new following. The people who had occupied the sidelines so long waiting for the classical Dow theory confirmation finally jumped in with both feet. The result was obvious. Stock after stock made new highs, and as this is being typed rumors of still higher prices are coming in over the phone. The only thing lacking to make this an old-fashioned bull market is the absence of market news on the front pages of daily newspapers.

* * *

Yes, it's very easy to be bullish today. But because it's so easy I again will have to decline the dubious honor of following the mob. For the market in its strange way persists in refusing to be impressed with either the war news or the action of the averages.

* * *

It is true that stocks have made new highs but the matter of making the new highs was a simple matter. Most of them were only a fraction of a point away from their old tops already. But what is perhaps more important is the refusal of volume to increase to respectable proportions. If you take that odd reluctance and place it alongside the comparatively few stocks which have been showing plus marks the whole market will not look as healthy as first indications would show. Selectivity is the watchword and if you haven't got the right stocks you might just as well be in a bear market for all the good the Dow theory confirmation does you.

* * *

Before I write anything about the action of individual stocks and what they indicate I'll give you a report on the stocks you still hold. United Aircraft, which was recommended at 38, broke its stop price of 36 last week. It's true it snapped back but the signal has been given. So if you still hold it—don't.

* * *

Reynolds Tobacco B, now about 32, was bought at 31½. Keep your stop at 30.

* * *

Electric Auto-Lite got up to the 39 price, then fell asleep. In last week's column I wrote: ". . . if it (Electric Auto-Lite) gets to 39 and runs into dullness don't wait for the 37 figure to be broken. Get out then." If you haven't followed the suggestion, then don't forget the 37 stop price.

* * *

Fairbanks Morse, at 39, still has a stop at 37, but current action indicates the stock looks "toppy." So better get out when you read this.

* * *

Flinkote ran into the 21 price and started to yawn. Hold your position but remember the 20 figure under which it should not be held.

* * *

National Distillers, bought at 31, isn't acting like any world beater. Better take your profit (now 34) and call it a day.

* * *

Newport is slow, and considering my belief that the entire market is in a danger zone, I suggest raising your stop to 14. You bought the stock at 16, which is where it still is. If, before it gets to 14, Newport manages to advance to 17, then grab the small profit. So much for the stocks you hold. Now about the ones you don't have and what they show.

* * *

Armstrong Cork, Bethlehem Steel, Borg Warner, Commercial Solvents, Loews, National Cash Register and Yellow Coach all gave significant performances last week. They all look higher. But to live up to their promise they must at least hold last week's gains. Any slackening to what military communiques call "previously prepared positions" will turn potential strength into actual weakness. So if you are interested in any of these bear the above in mind.

* * *

The favorites of a couple of weeks ago, the air transport issues, now seem friendless. Pan-American indicates some kind of support at 37 and TWA about 22.

* * *

Paramount, which ran up in sympathy with its national publicity campaign extolling the virtues of its latest production, "For Whom The Bell Tolls," is running into some kind of trouble. If you bought the stock on the strength of all the money the company would make out of the picture, better get out.

* * *

The enigma of entire market is the steels. For some reason Big Steel runs into offerings every time it pokes its head into the 59 figure. The only steel stock which tries to keep pace with the market is Youngstown Sheet and Tube. Should the group suddenly decide to come to life I think Youngstown is the stock to have. But remember the steels are notorious for late runners. An advance in the group at this date may well be the signal for the end of the present bull phase in the entire market.

* * *

More next Thursday.

—Walter Whyte

[*The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.*]

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Canadian Newsprint Shipments Over Output

Shipments of newsprint from Canadian mills during June exceeded production for the fifth consecutive month, the total of 268,990 tons being 6.2% higher than a year ago, the Newsprint Association of Canada reported on July 13. Shipments to Canadian consumers decreased 3.1% and those to the United States were up 1.2% and to overseas users 122.6%.

In Canadian Press advices from Montreal, the following was also reported:

"Canadian production during June amounted to 257,845 tons, an increase of 6.2% over the like month last year. Production was at the rate of 69.6 of 1942 capacity, compared with 68.6% in May and 65.6% a year ago. Shipments thus exceeded production by 11,145 tons and there was a corresponding reduction in stocks held by Canadian manufacturers.

"Shipments and production by United States mills declined 8.3% and 11.5% respectively from the June, 1942, levels. Shipments exexceeded production by 1,670,000 tons and stocks held by United States mills decreased by that amount."

Third War Loan Goal To Be Set By Aug. 1

Secretary of the Treasury Morgenthau said on July 15 that the Treasury will probably announce the goal of the Third War Loan drive by Aug. 1. It is expected that the campaign, scheduled to start Sept. 9, will have a somewhat higher goal than the Second War Loan drive in May. This goal of $13,000,000,000 was exceeded by about $5,500,000,000.

The types of securities to be offered in the new drive are to be decided upon soon.

Canadian Bond Valuations

as of May 31, 1943

To assist those engaged in the preparation of **Form TFR-500,** and whose lists may include Canadian bonds (external or internal), we shall be glad to send a folder containing price tabulations which we have just prepared.

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Canadian Securities

By BRUCE WILLIAMS

The big news in the Canadian bond market last week was the calling of $106,000,000 direct Dominion dollar bonds for redemption on August 16, 1943. The issues called are the Dominion 2¼'s of January 15, 1944 and the 2½'s of August 15, 1945-43.

It is with some satisfaction that this column is able to refer to our discussion of last June 10 in which the possibility of exactly such a call was stressed. As pointed out then, this call leaves the Canadian National Railway 5's of July 1969-44 the only short-term Dominion obligation now available. When compared with U. S. Certificates of Indebtedness, the yield to first call date on this issue still makes it appear very attractive.

With Canada piling up an embarrassing surplus of U. S. dollars, Finance Minister Ilsley's purpose in redeeming the $76,000,000 of outstanding 2½'s and $30,000,000 of outstanding 2¼'s was quite clear. It will serve to reduce the pressure on the exchange situation and permit maintenance of the official 10% discount on Canadian dollars for still a time.

However, it becomes increasingly evident that the return of the exchange rate on Dominion currency to parity with U. S. dollars is unlikely to await the conclusion of the war. In fact, if political controls were removed and the present supply-demand situation permitted to function, there is little doubt that parity of U. S.-Canadian exchange would be in sight today.

This is but further evidence of the strength underlying the Canadian bond market and points to a not yet fully awakened realization of the values in this field on the part of institutional investors who are so sorely put to fill their needs in the domestic market. Of course, the "cream" is off. The majority of top quality provincials and the Canadian National Railway medium-term bonds which were available on a 3.75% to 3.35% basis early this Spring have now all gone under 3%.

But, even so, we have a feeling that the present 2.80%-2.90% yields available from prime issues in these categories are going to look very good to American banks and insurance companies before the end of the year. This would prove particularly so if, as suggested as a possibility here before, our own Treasury were to offer the banks 10-year 1¾'s sometime in the near future.

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FDR Approves Treasury Sale Of Silver

President Roosevelt signed on July 12 the bill releasing Government-owned silver for war purposes and for civilian needs.

The bill fixes the price at which the silver may be sold or leased at 71.11 cents an ounce. The legislation passed the Senate on June 18 and the House on July 5.

Under the bill, the President, acting through Secretary of the Treasury and upon the recommendation of the Chairman of the War Production Board, could sell, or lease for domestic purposes for not longer than six months after the end of the war, any silver held or owned by the United States, "for purposes including but not limited to the making of munitions of war and the supplying of civilian needs, and the converting of existing plants to those purposes." The measure also provides that "at all times the ownership and the possession or control within the United States of an amount of silver of a monetary value equal to the face amount of all outstanding silver certificates heretofore or hereafter issued by the Secretary of the Treasury shall be maintained by the Treasury."

Senate passage of this bill was noted in our issue of July 1, page 30.

Under date of July 12 Associated Press accounts from Washington said:

"Allotments of this silver are to be made by the War Production Board and the amount is limited to the surplus not needed for redemption of outstanding silver certificates.

"The Treasury said its stock of free silver amounts to 1,252,659,026.2 ounces of which 699,819,332.8 ounces are on loan to the Defense Plant Corporation, a Federal agency. The free silver total, the Treasury said, is listed in the general fund at a cost value of $591,405,379 which would indicate that the Treasury would make a substantial profit on sales at 71.11 cents an ounce.

In an earlier reference to the bill, which was sponsored by Senator Theodore F. Green, (Democrat) of Rhode Island, the Associated Press in reporting its adoption by the House on July 5 stated: "At the same time, Representative John D. Dingell, Democrat, of Michigan, Chairman of the Ways and Means Subcommittee considering the silver bill, said the committee has approved the Celler bill which would repeal the Silver Purchase Act of 1934."

A Bank Of International Cooperation: A World RFC

In an article published in the "Chronicle" of June 24, bearing the above caption, Rep. Charles S. Dewey (Rep., Ill.), a member of the House Ways and Means Committee, criticized the Keyes and Morgenthau currency stabilization plans and proposed a "Bank of International Cooperation: a World RFC," as a method of rehabilitating the financial and economic strength of other countries after the war and maintaining equilibrium of their international trade balances. The Keynes and Morgenthau proposals, in Mr. Dewey's opinion, represent nothing more than a means of supporting the unfavorable foreign trade of some weaker country on the favorable trade of a stronger one, inevitably pulling the stronger to the level of the weaker.

Rep. Chas. S. Dewey

Since publication of the article, the "Chronicle" has received various comments regarding the program suggested by Mr. Dewey and these were given in previous issues. Representative Dewey has favored us with copies of letters sent by him to Messrs. Frank Ast of Brewster, Mass., and E. E. MacCrone, President of American Industries Corp., Detroit, in connection with the views expressed by them regarding his proposal. These comments appeared in our issue of July 8 and we give below the texts of Mr. Dewey's acknowledgements:

Dear Mr. Cist:

I have just noted your interesting letter addressed to "The Commercial and Financial Chronicle" of July 8 commenting on my article in regard to a plan for post-war rehabilitation.

I wish to compliment you on the clear way in which you have explained the actual results that might be expected should either the Keynes or White plans be put into operation. As a matter of fact, we would be expected to become the involuntary banker for the rest of the world without any authority to control the usages of the loans or to set any maturity for their repayment.

The last paragraph of your excellent letter states in part: "Representative Dewey proposes means by which we can get something non-competitive for what we give." This undoubtedly would be the result of the operation of an International Bank, but my proposal went a little further than merely the repayment to us for credits extended.

Neither Mr. Keynes nor Mr. White, but particularly Mr. Keynes, have asked contributing nations to their stabilization fund to contribute any tangible assets. My plan requires that any participants not having gold with which to pay for their allotment of the bank's shares should pay for them in critical materials. Hence, the bank would have a capital consisting of sound values rather than promises to pay.

I have a definite feeling that the only possible way by which post-war inflation can be controlled will be through a policy of as full employment as possible and the production of consumer goods. The possibility of realizing such a policy seems to me to be hampered by two opposing theories.

One is the development of national socialism or bureaucracy throughout the United States, which would certainly tend to hamper the development of free initiative, with a result that the opportunity of little business would be reduced, and production would more and more fall into the hands of the great corporations similar to the great foreign cartels, which themselves might easily come under political domination.

The second opposing influence would be the great corporations themselves, which apparently are proponents of a managerial economy. It is almost an accepted fact that the great corporations believe in a stabilized and well-ordered advance in the production of consumer goods, and through their own agreements, and agreements with international cartels, have restricted the production of some raw materials, and through cross-licensing of patents have restricted the introduction of new methods and ideas.

As the Bank of International Cooperation will follow the path of making loans for the development of new wealth and the opening of new horizons, its possessions of large stocks of critical materials can be used as a lever against the restrictive practices of international cartels controlling vital raw materials. Further, it can make loans for wealth-producing purposes for a maturity not permitted to most commercial lending, even of the investment class.

It was my observation during the three years I was financial advisor to the Polish Government that loans made for wealth-producing purposes not only generally were repaid but also produced foreign exchange sufficient to stabilize currency. It is not my thought that the International Bank would in any way substitute for commercial loans. These commercial loans could be based on the usual credit risks but the risks would not be good even if guaranteed by government unless the fundamental wealth-producing abilities of the country in question were put into operation.

I am very happy that so many of our good citizens are taking an active interest in thought and discussion of our post-war responsibilities. We certainly have them, but I hope that they will be kept on a common-sense plane so that in the long run we do not become mendicants ourselves.

Dear Mr. MacCrone:

I note your letter to "The Commercial and Financial Chronicle," which was published in their July 8 issue in regard to my article recently published in the same periodical entitled, "A Bank of International Cooperation: A World RFC".

I very much appreciate your very kind words of commendation, and I am also pleased that a person of your broad business experience is taking so active an interest in our post-war rehabilitation problem.

After serving four years as Assistant Secretary of the Treasury in the Coolidge administration, I was nominated by the Federal Reserve Board and duly appointed financial advisor to the Polish Government, and resided in Warsaw, Poland, for three years. I mention this fact merely to show that I have had an opportunity to observe a well-worked-out fiscal policy.

Immediately following the war the United States Treasury, in cooperation with the British Government, attempted to stabilize European economy by stabilizing their currencies, and between the armistice and the middle of 1920 the Treasury advanced three and one-half billion dollars for this purpose. We, at the present time, hold the unpaid notes of Great Britain in the Treasury for this amount.

On the other hand, after attempting the currency stabilization experiment an international group of bankers subscribed a loan of only 75 millions of dollars to the Polish Government. A stabilization plan was written up which required the Polish budget to be brought into balance and certain tax reforms made, but the fundamental principle of it was that the loan should be employed to create national wealth-producing opportunities.

I have returned to Poland every year since the termination of my permanent residence in 1931 to the outbreak of the war, and I know that you will be interested to learn that, based on this comparatively small loan of 75 millions of dollars, Poland had gotten herself on a rather sound basis until overrun by the invading German armies.

I find from my experience and reading that there is no substitute for work and that national currencies of any country are sound if the government continues a sound fiscal policy and the citizens are given creative opportunity. I believe that nothing is greatly changed in the world and that if we follow these principles after the war we will be on the correct road.

Vandenburg Urges Creation Of Real War Cabinet And Demobilization Of "Palace Guard"

Senator Vandenburg (Rep., Mich.) on July 12 called for the demobilization of the White House "palace guard" and the establishment of a war cabinet to help President Roosevelt direct activities on the home front.

Forecasting further reorganizations in the administrative branch of the Federal government after Congress returns this fall. Senator Vandenberg told an Associated Press interviewer that he believes there is a "relentless trend" under way in the country toward the formation of what he said "we loosely call a War Cabinet."

In the Associated Press Washington advices it was further stated in indicating Mr. Vandenberg's views:

"We need something of that kind instead of the existing kitchen cabinet in which there is very little confidence," he declared, adding: "The palace guard has got to be demobilized soon."

"By 'palace guard' Senator Vandenberg said he meant the circle of advisers to Mr. Roosevelt, including Harry L. Hopkins, who the Republican Senator said appeared often to be highly influential in shaping policy decisions which were not always concurred in by the heads of departments and bureaus affected.

"Along with establishment of a war cabinet, Senator Vandenberg said he wished President Roosevelt would 'separate himself from the fourth term,' declaring that such action would go a long way toward smoothing out Mr. Roosevelt's difficulties with Congress.

"Conceding that politics is likely to play an increasingly greater part in domestic decisions as the time for the 1944 campaign nears, Senator Vandenberg said he thought it 'unfortunate' that partisan considerations could not be minimized during a war.

"'The unfortunate part of it all is that politics will play an increasing part in what goes on,' he said. 'On the one hand will be the politics of the President and his fellow-fourth-termers and on the other hand the bi-partisan politics of those who feel otherwise on the question.

"If the President were to separate himself from the fourth term, it would greatly simplify the entire governmental perspective, including the President's own."

"Predicting that price controls and rationing would remain 'a constant source of national irritation until they are simplified and justified,' Senator Vandenberg said Congress can be expected to come back to Washington in September demanding some changes in the present system.

"He forecast a renewed scrutiny of government bureaus, coupled with 'a greater drive than ever for economy, both inside and outside war expenditures.'"

William Green Of AFL Seeks Repeal Of Smith-Connally Anti-Strike Bill

William Green, President of the American Federation of Labor, speaking at the opening on July 11 of the 33rd Quadrennial Convention of the International Longshoremen's Association, at the Commodore Hotel, declared against the Smith-Connally Anti-Strike bill as an act of oppression and an insult to American labor and asked the 6 million members of the Federation to work for the defeat of every member of Congress who voted for the measure; the New York "Sun" of July 12, in reporting this, gave the further assertions of Mr. Green as follows:

"Mr. Green said:

"We are determined that, in so far as we possibly can, we are going to mobilize our political power to oppose every member of Congress who voted for the Smith-Connally bill. That's already decided upon as a part of the political policy of the A. F. of L. We're satisfied that a large number of these men will not return to the Congress of the United States.

"You delegates to this convention, be ready for the fight in 1944. Go back home and organize. Let the Congressmen know that labor never forgets. Let them know that they are going to be defeated if the laboring man has it in his power to do it. Six million members of the A. F. of L. have been penalized and insulted by the action of Congress in passing this reprehensible legislation."

Mr. Green asserted before the convention delegates that Congress, in deserting President Roosevelt and passing the measure over his veto, wrote a page of shame for the party in control of the Government.

He said that labor is putting every ounce of its skill behind the war effort in order to keep our soldiers fighting in the field, and will continue to do so.

"Labor willingly relinquished the right to strike for the duration of the war," Mr. Green continued, "but it will oppose with all the power at its command any attempt to compel labor to give up its right to strike. The one is voluntary. The other is force. So far as labor is concerned, it will never yield in the acceptance of any legislation that interferes in any way with exercise of the right to strike."

Obviously referring to John L. Lewis's refusal to recognize the WLB in the coal mine dispute Mr. Green said:

"In war days we must recognize Government agencies. There is no justification for anyone taking the position that he will refuse or refrain from recognizing government agencies set up for the settlement of disputes. I'm proud to say that representatives of the A. F. of L. have not taken that position (of refusal). Come what may and come what will, we'll go along with Government agencies until the Axis powers are defeated."

SEC Study Of 1942 Utilities Finances

The Securities and Exchange Commission published on July 12 a report on financial statistics covering 204 operating utilities for the year 1942. All of the companies included in this report have assets of $5,000,000 or more. The SEC announcement in its advices said:

"The combined assets of the 204 companies in 39 registered public utility holding company systems aggregate $11,699,724,773 as of Dec. 31, 1942 as compared with $11,543,068,659 for 210 companies as of Dec. 31, 1941. Total operating revenues in 1942 amounted to $2,204,509,749 as compared with $2,068,477,822 for the 210 companies in 1941.

"Total capitalization outstanding for the 204 companies amounted to $9,295,874,109 and consisted of bonds $4,076,225,563, debentures $205,500,294, notes and miscellaneous $275,237,552, preferred stock $1,711,719,639, common stock $2,245,460,061 and surplus $781,731,000. Bonds, debentures and notes made up 49.02% of the total capitalization, while preferred stock accounted for 18.41% and common and surplus 32.57%.

"Of the total earnings during 1942, operating expenses took 40.02%, maintenance 5.03%, depreciation 10.24%, taxes 21.18%, funded debt interest 8.21%, other deductions 1.11%, preferred dividend requirements 4.54%, common stock dividends 6.53% and balance for surplus 3.14%.

"The analysis shows that interest on funded debt was earned 2.87 times and fixed charges and preferred dividend requirements were earned 1.70 times, both of which figures were exactly the same as for the 210 companies for the year 1941. The average interest rate on all funded debt outstanding Dec. 31, 1942 was 3.96% and the average dividend rate on preferred stock was 5.84%. Funded debt averaged 51.61% of net property and capitalization outstanding and surplus was 87.88% of property and investments. The percent of depreciation reserve to property was 14.98%.

"Dividend arrearages on preferred stock existed in 28 companies at Dec. 31, 1942 as compared with 32 in the 1941 report and 37 in the 1940 report. Earnings available for common stock for 1942 amounted to 9.55% of the book value of common stock and 7.08% of common stock and surplus. Fifty of the 204 companies had earnings available for common stock of 15% or more, while ten companies failed to earn anything on their common stock. Of the $214,387,670 available for common stock dividends, $144,797,535 was paid in such dividends, leaving $69,590,135 for surplus. Of the 176 companies which were not in arrears in preferred dividends, 141 paid dividends on common stock in 1942.

"The report was prepared by C. A. Turner, under the supervision of Milton H. Cohen and a copy may be obtained from the publications unit of the Commission in Philadelphia by requesting the 1942 report showing financial statistics for electric and gas subsidiaries of registered public utility holding companies."

Review Of The Economic Situation Of Mexico

The following review of the economic situation of Mexico is taken from the current bulletin of the Banco Nacional De Mexico, S. A.

"As compared to other countries, Mexico enjoys the most excellent situation, according to the general opinion of observers. However, it cannot be denied that, as days go by and we enter into new phases of the present emergency, some of the apparent advantages fade away and hints of difficulties of tomorrow begin to show.

"It has been publicly admitted that the domestic stocks of war materials and other commodities essential to domestic life are being transferred to the United States. The correspondent of the United Press, whose main office is in Washington, D. C., has written to Mexican editors that the committee which is being appointed as a result of the Avila Camacho-Roosevelt interview, would have powers 'to prevent the impending dislocation of Mexico's internal economy, brought about by the considerable American purchases of strategic materials.' This is true. According to official data, exports to the United States during January and February, 1943, have exceeded the already too high averages of 1942. The total amount in pesos of the commodities shipped (prices have not gone up much) aggregated 84 and 88 millions respectively for January and February, and the results of the trade balance amounted to 34 and 35 millions respectively.

"The worse is that these balances do not help to increase stocks, either on account of the imports of foodstuffs and other widely consumed articles, or due to the enlargement of local production which is hampered by different causes. Such is the case of agriculture which, as we said long before the emergency, is economically disorganized due to lack of machinery and fertilizers. The field production has improved slowly, but it is far from reaching the rhythm required by the public needs. A little more corn has been reaped as compared to the years that followed the Revolution. According to official statements, more wheat is required every year, and although the production of beans has increased, it has not developed as much as experts deem necessary. The consequences of this have been: scarcity of bread and its consequent insufficiency to fulfill the role it has in every part of the world; a high price of masa, which is the raw material of torillas; and, finally, the elimination of beans from the diet of the poor. But this picture shows some aspects of agriculture production and its relationship to public welfare which we can call "normal." The emergency has added the reduction of stocks of certain foodstuffs due to exportations. The 'surpluses' (?), or such amounts as exceeded the apparent consumption in a certain period, and which should have been held here as a reserve, or as an influence on the high price of essentialities, have been sent abroad.

"The stocks of industrial articles are equally uncertain. They come from abroad in minute doses. A few commodities of general consumption goods arrive at our ports and reach prohibitive prices. We could be able to produce here what we need, but there is no machinery available to enlarge shops, and there is no place to find it, because the United States grants permits only in exceptional cases and after the priority requirements to which factories are subject during the war have been fully satisfied. We are dependent on the old-fashioned technique which has generally presided our economy. Productivity is quite low and is not equal to the new requirements of the population or to the war necessities. Our warehouses are empty. There are no reserves of merchandise, as there used to be, and the instance has occurred—quite unusually in our trade annals—that large stores have had to turn down important orders because domestic production is being sold four and even five months in advance. What we say in regard to the merchandise usually produced here, or to the goods for which substitutes are being manufactured now, can be stated with all the more reason in regard to the merchandise which usually came from other places. Certain kinds of foodstuffs, repair parts for machinery, and similar articles, are no longer received or received only with great limitations, or else, substitutes are sent instead but in such amounts that stores must distribute sales throughout the year so as prevent closing until better times come.

"Some factories have discontinued work in the last few months. The conflict of rayon mills (in spite of their present condition), and that of rubber factories, have come to an acute point. Other manufacturers keep on thanks to high prices, but any reduction in their sales at the present prices will bring about serious trouble for them. Partly, industrial difficulties result from lack of raw material. However, such manufacturers as have reached the highest cost level, as in the case of textiles, fear a change of present conditions, no matter how slight. They are known to be operating at full capacity, with two or three eight-hour shifts. They are producing as much as in ordinary circumstances, and even more for speculators, but a good portion is being exported. If this portion, or that of speculators, is reduced, the general conditions of industry will be jeopardized. There is no sound enlargement, as there would be through a serious technical improvement and a better organization. The enlargement takes place through prices which result from the reduction of stocks. In exchange, large units have been compelled to operate at half pace due to reasons which we have explained in this publication, although they had made preparations to meet domestic consumption by increasing their equipment and enlarging their premises. On the other hand, on account of the scarcity of imports, combined with that of machinery and the impossibility to buy it, our big opportunity for a rational and wise industrialization is escaping us without our being able to realize the ideal which, at the outburst of the war, seemed practical and feasible.

"Even the extractive industry, which should be protected on account of its direct connection with the war, is having trouble. Mining complains of the deficiency of railroad transportations as well as of the lack of specialized equipment. This industry is being enlarged in accordance with war necessities and it is surely subject to a re-adjustment without a strong support which would allow its main branches to maintain economic activity with the usual force when the war is over, or as soon as present needs will change. According to the information we have, the oil industry cannot obtain machinery. The old machinery used since the expropriation, is the only that, with slight modifications, is still being employed for operation.

The Rise In The Standard of Living

"Reduced stocks are one of the factors of the rise apparent in the standard of living, which was considerably accentuated during April and the first half of May. While it exceeded 150 in 1941 (1934-100), at present it comes close to 240. In other words, the standard of living is twice as much as it was two years ago. In one month only—from March to April—it went up from 219.3 to 230.8 with an accelerated rhythm and seemingly upwards. To determine this index, the prices of necessities such as white bread, milk, sugar, pulque, meats, soup pastes, beans, coffee, tortillas, eggs, corn masa, lard, shoes, cotton fabrics and others, were taken into account.

"It is true that wages have gone up recently in such branches as mining, cotton textiles and others. However, it is unquestionable that prices have won the race. The effort of the humble classes is visible in Mexico City, but that of the poorer classes in the rest of the country to meet their needs, will become more and more obvious. We have received complaints from our correspondents in the states. From Celaya we hear that 'a considerable rise in price of essentialities has made itself felt in this market.' Reports from Aguacalientes state that 'prices in general continue to soar, mainly in the case of essentialities, specially foodstuffs, while some firms which handle imported articles such as hardware, etc., are in trouble due to lack of stocks.' Our correspondent in Guadalajara reports that 'new rises have taken place in the prices of essentialities, such as flour, potatoes, etc. Raw broadcloth has increased 8% with regard to the price formerly paid, and the new orders filed by the United States for clothes, wafers, bee's honey, candies and fruits in general, have helped to increase prices, because American demand covers large and well paid amounts.' Our correspondent at Campeche writes that 'only indispensable articles are being sold at high prices, and the scarcity of certain commodities is becoming apparent.'

"In this exasperating and difficult condition, there are still unscrupulous people who are ready to speculate with public needs, as has happened in the slaughterhouse of Mexico City, where slaughtering has been discontinued together with the supply of meat, through a monopoly which has brought trouble both to retail sellers and consumers. Dubious manoeuvers have been exposed with regard to the supply of milk, the price of which has gone so high that many people have dispensed with it. According to recent statistics, the present consumption of milk in the Federal District is hardly one quarter of a liter per inhabitant.

"The wholesale price index drawn up by the Bank of Mexico has reached 172.7. In March it went as far as 167.8; in February it was 166.2; in January it reached 156.7. Between January and April there is a difference of 11%, which is a faster rhythm than in 1942. According to this index, rice, coffee, beans, corn, wheat, green chili, beef, lard, yellow potatoes, sole, soap, alcohol, barley, and cotton, have gone up. This includes the outstanding commodities. Only foodstuffs went up from 170.1 to 180.6 from March to April.

The Other Angle of the Problem

"The other factor that has caused the continuous rise in prices is the unrestrained increase of monetary circulation. According to recent statistics, we know that in April the total of banknotes in the hands of the public aggregated 847.2 million pesos, or 30.6 more millions than in March, and 57.6 millions more than in February. The rhythm of increase amounts to 30 millions in round figures in excess of trade necessities. Moreover, in view of the monetary depreciation, a strong demand of gold and silver has been promoted. Coined silver has gone up from 358.2 in February, to 372.0 in April, or a monthly average of 7.0 millions. Finally, banking deposits have gone up to 973.9 millions, a climatic figure in the annals of Mexican finances, because the highest figure previously attained, over 20 years ago, aggregated 500.0 millions in round figures. Upon adding the foregoing items, total circulation amounts to 2,193 million pesos, as against 2,131 a month ago, and 2,021 two months ago, which shows an increase rhythm of 171.2 millions in two months, or 90 millions per month in round figures.

"The assets of the Bank of Mexico's reserve have also increased considerably at an accelerated rhythm: in March, 1942, there were 30 million dollars; in July this figure had increased to 33 millions; in December it had only gone up to 39, but after that time it has undergone the following changes: January, 70 million dollars; February, 90 millions. We do not have at hand the figures for April and May, but they must be similar. In two months there has been an increase of fifty millions, or twenty-five per month which, at the present rate of exchange, would be equal to 125 million pesos and account for the apparently absurd development of circulation.

"The results have been: (a) the monopoly of merchandise which increases the rise of supplies and pushes the cost of living to intolerable extremes; (b) the demand of real estate securities. Some data are available in connection with the latter: the general index of the price of Stock Exchange papers at the end of April, reached 362.5 (100-1929) over and above 331.0 in March and 260.8 in December, 1942. Mining securities have gone up from 90.0 in January to 101.9 in April, while industrial securities—already exceedingly swollen—went up from 336.3 to 438.1. The influence of the demand of securities brought about by the new money for which no immediate and profitable use is found, could not be more obvious.

Some Solutions

"Some partial remedies are being tried out. First of all, the Federal Government is endeavoring to deviate towards agriculture the money held by banking institutions. This desire was clearly expressed by the Secretary of Finance at the latest banking convention held in Chihuahua, at the beginning of May. This co-operation is being sought for without reforming the codes of the agrarian policy, but through measures which may bring back to private institutions the money they may lose through their connection with farmers.

"Naturally, this attitude on the Government's part will help to solve the present problem of Mexican economy in two important ways. First, by using a part of the assets for such purposes as are essentially productive and immediately reproductive, of the most necessary goods. Secondly, by causing the supply of goods to increase and prices to go down without resorting to administrative or police measures.

Endeavors are also being made to market long-term securities, with a moderate interest, but based upon satisfactory guarantees, to the end of opening new, steady and profitable channels for idle capital. Up to this time issues have covered comparatively short figures (the latest one covers 40,000,000.00 pesos); but at time passes it will be possible to make more important issues. This will be easy because competition is every day greater in the field of merchandise and because at the present prices neither real estate nor sight securities are inducing. At any rate, it is better to save a portion of the present capital in a serious, steady, non-inflated business which pays interest, because this will made up for future losses.

"Finally, gold is being sold in small amounts (the old demonetized gold coins), so that the public can acquire a merchandise which will help it to preserve values in the course of time. Capitalists have understood this, feel encouraged and look for gold, which is in rise due to demand. Comparatively, it is worth more than the American dollar.

"Such is the essential problem faced by Mexican economy, and such are its proportions and the remedies adopted to avert or solve it."

Gould Elected Director Of Beekman Hospital

Elisha Walker, Chairman of Beekman Hospital, announced on July 19 that Leslie Gould, Financial Editor of the New York "Journal-American," has been elected a Director of Beekman Hospital. Mr. Walker said "We are particularly fortunate to have secured for this post a man as well known and admired in financial circles as Leslie Gould." Mr. Gould accepted the Financial Editorship of the New York "Journal - American" in 1930, prior to that he was a member of the staff of newspapers in California, New York, New Jersey and the Associated Press. For the past several years he has been actively interested in the affairs of Beekman Hospital and was chairman of the Publications Committee for the 1943 Maintenance Fund to raise $125,000 to meet an estimated budget deficit for the current year's expense.

What a treat . . .
I'll save it
for special
occasions!
SCHENLEY
ROYAL RESERVE

SCHENLEY
ROYAL RESERVE

60% grain neutral spirits. Blended whiskey, 86 proof. Schenley Distillers Corporation, N. Y. C.

Managing A Business For Stockholders Through The Vicissitudes Of Inflation

(Continued from first page)

our expenses, to keep down our prices. Then we can come into the post-war period with a reasonable chance of escaping financial disaster.

J. W. WATSON
Treasurer, Shell Oil Company

I have read Dr. Wright's article with close attention and a great deal of interest. Would that economics were an exact science, demonstrably provable in advance, and not so interwoven with the social, and above all, the political aspects of our lives! Be that as it may, Dr. Wright has set down a few truths in a manner which will, I am sure, stimulate vigorous, and very likely in many instances, some painful thinking on the question: "Where do we go from here?" among the Nation's corporate managements. If his article does nothing more than this, it has accomplished a great deal, as out of it may come a widespread decision to apply more positively the virtues (old-fashioned though they be) of thrift, hard work, straight thinking and fair dealing. This, fundamentally, is the thesis of the article, and these virtues, after all, are as basic in the affairs of corporations as they are to ourselves as individuals.

A. F. WHITNEY
President, Brotherhood of Railroad Trainmen, Cleveland, Ohio

I think Dr. Wright's article is largely factual. It would have been of greater value had he given us more information on the causes of inflation and how to prevent inflation at the start. I was pleased to note his recitation of the fact, recited by so many economists except when they are fighting wage increases, that price increases always precede and outrun wage increases.

A. F. Whitney

Therefore, to argue that wage increases cause inflation is to argue the absurdity that effect precedes cause. I think we should take into consideration that prices do not simply rise—somebody puts prices up. If we could put the finger on the selfish profiteers who inspire these price rises, we might cure inflation at the source.

Editor's Note—The causes of inflation are dwelt upon by Dr. Wright in his article on the subject which starts on page one of today's "Chronicle." When asked to comment on the above letter from Mr. Whitney, Dr. Wright prepared the following memorandum:

It is generally true in economic history that price increases have preceded or outrun wage increases. Up to the present however in our national situation, the process seems to have been reversed. According to my information the increase in wages in the aggregate have outrun prices. According to the Bureau of Labor Statistics the average hourly wage in the manufacturing industries in March 1943 was 11.9% higher than in May 1942; the average weekly wage was 16.8% higher, and the average cost of living was 5.9% higher. Unfortunately, however, many wage groups have had very little wage increase and in some cases no increase since the war began. The laboring groups benefitting from the war and new government employees since the war began have had the larger increases. In many of the non-war industries, the decline in business has been such that wage increases are not possible without great difficulty, and in some instances would force the businesses to close altogether. But this is only one of the unfortunate maladjustments growing out of the war.

Wages and prices are two very troublesome problems to deal with during such periods of maladjustments. There are plenty of inequalities. It is unfortunate, however, that we did not freeze both wages and prices when the war began in 1939 as England and Canada did, and then allow only such increases and decreases as necessary to iron out gross inequality.

HON. FRED L. CRAWFORD
Representative in Congress From Michigan

With a great deal of interest I read the timely and constructive article by Dr. Ivan Wright. Every day, in making contacts in my District, I find business men are deeply concerned over the issues and problems which Dr. Wright discusses. I shall have occasion to refer them to this statement of Dr. Wright's.

F. L. Crawford

HALSTEAD RHODES
Bioren & Co.

Dr. Wright is an exception to Mr. Maxson's strictures. Clear thinker. Dr. Wright is located in my old home town, Brooklyn.

The "Chronicle" has been my financial bible for 50 years.

EDGAR A. SOWAR
Vice President, Louisiana National Bank, Baton Rouge, Louisiana

Dr. Ivan Wright's article in the July 8 issue of "The Chronicle," entitled "Managing a Business For Stockholders Through the Vicissitudes of Inflation," is most thought-provoking. Certainly, it would appear that he has covered and touched upon this subject from all possible angles.

This article strikes me as being so good that I feel confident you will in due course have some leaflets available covering this article. If so, I should like very much to arrange for 12 or 15 of them for distribution to our largest interested depositors.

We have enjoyed as well the other articles in both sections of "The Chronicle."

JAMES E. DAVIDSON
President, Peoples Commercial and Savings Bank, Bay City, Michigan

I have read very carefully and with considerable interest the article by Dr. Ivan Wright, Professor of Economics, Brooklyn College.

The whole thought is summed up in the last paragraph of Dr. Wright's discussion and I heartily agree with the conclusions reached. Of course, there is always a very vast difference between institutions and the course of action necessary to be followed by each, but if care is exercised in not overbuying and not overselling I think this will solve the problem in most cases.

We hear a lot about post-war planning. While it is well to give this matter some thought, the war is not over, and nobody at the present time can tell just how soon it will be over. For that reason, while it is just as well to be thinking about what should be done sometime in the future, it would not be wise to do any exact planning at the present time.

Study On Reducing Employee Absenteeism

The campaign being waged against preventable employee absenteeism by executives of war production companies is examined and reported in a new study entitled: "Reducing Absenteeism Through Employee Education" just released by the Policyholders Service Bureau of the Metropolitan Life Insurance Company. This report, one of a series of three on the subject of employee morale, is the result of an investigation of the methods used in scores of well known companies that have cooperated with the Metropolitan by submitting their most practical ideas on reduction of absenteeism. Advices from the Bureau July 12 state:

"Among the chief contributing causes of absenteeism, the report states, may be mentioned the combination of high wages and scarcity of consumer goods, the result of which is to make leisure more attractive than wage earning. That this attitude on the part of employees is devastating to production time schedules and quotas is well realized by every employer who has had to cope with it. A number of companies have been very successful in their methods of treating this malignant growth on industry, according to the report, by analyzing the causes, isolating them, and applying an internal remedy that may be called "Employee Education." Such education is accomplished through the media of employee magazines, posters, billboards, and special attendance charts placed at strategic points in the plant or office. Special timecards and time card stickers are among the visual reminders that play a part in the drive against absenteeism.

The other two studies in the "Morale Series" are entitled "Planning and Organizing a Morale Program" and "Stimulating and Maintaining Employee Morale."

International Income Comparisons To Be Studied At N. Y. U.

New York University has received a grant of $7,500 from the Rockefeller Foundation to complete a study of international income comparisons under Dr. Paul Studenski, Professor of Economics, it was announced July 15 by Harold O. Voorhis, Secretary of the University.

The study, begun in 1937 as a WPA project under the co-sponsorship of the University and Conference on Research in Income and Wealth, will present in comparative form and the fullest possible detail both the methods used in over 30 countries in the preparation of national income estimates and the resulting figures themselves, the announcement stated. It is expected that the study will be completed within a year and that it will be published by the National Bureau of Economic Research.

Completion of the study, interrupted by the termination of WPA, should be of value, it is pointed out by Dr. Studenski to public and private agencies and to individuals concerned with international economic problems associated with the war and post-war readjustments.

He also stated that many Federal agencies have urged the completion of the work because of the important part which national income data will play in the formulation of programs for post-war settlements and reconstruction of the world.

Dr. Studenski recently completed a study for the Social Security Board on the "Measurement of Variations in State Economic and Fiscal Capacity," in which he tested the validity of state per capita income figures. He will be assisted in the presentation study by Dr. Julius Wyler, who was formerly with the Central Statistical Office of Switzerland and is the author of the estimates of the national income and national wealth for that country. Dr. Wyler is now on the Graduate Faculty of the New School for Social Research.

Gaty On War Plant Board

John P. Gaty, Vice President and General Manager of Beech Aircraft Corp. has been appointed to the Board of Governors of the Kansas City Region of the Smaller War Plants Corporation, according to an announcement by Brig. Gen. Robert W. Johnson, Chairman of the SWPC. Mr. Gaty is reported as pleased to accept the appointment because it confirmed the effectiveness of the Beech Aircraft personnel who are entrusted with subcontracting, and because he is interested in helping tide small business enterprises over a difficult period. Their problem was one that went beyond the present war period, he said.

Gibson Back At Red Cross Post In Britain

Word has been received that Harvey D. Gibson, President of the Manufacturers Trust Co., New York City, who has been in England since last August, acting as American Red Cross Commissioner to Great Britain, has returned to London after spending about five weeks in the United States. During his stay here, Mr. Gibson conferred with Red Cross Officials in Washington, D. C. and New York in regard to the expansion of American Red Cross activities abroad.

HOLLANDER BLENDED FURS

A. HOLLANDER & SON, INC.
AND WHOLLY-OWNED SUBSIDIARIES
Consolidated Statement of Earnings for the Six Months Ended June 30, 1943

HOLLANDER DYED FURS

Net income before other deductions, depreciation and Federal taxes on income . . .		$1,223,842.16
Deduct:		
Other deductions	$143,170.22	
Depreciation of fixed assets and amortization of leasehold improvements	62,415.36	205,585.58
Net income before Federal taxes on income		1,018,256.58
Deduct:		
Provision for estimated Federal taxes on income computed at presently prevailing rates, after applying entire year's excess profits credit (equivalent to $3.31 per share on 209,700 shares outstanding) . .		695,000.00
Net income for the six months ended June 30, 1943 equivalent to $1.54 per share on 209,700 shares outstanding (after deduction from issued shares of 16,875 shares of treasury stock)		$323,256.58

Inventories at June 30, 1943 were estimated on the basis of the prime cost of sales percentage for the preceding calendar year as the company takes physical inventories only at the end of the year.

Above is a copy of the semi-annual report submitted to the New York Stock Exchange pursuant to its rules and regulations.

Michael Hollander
President, A. Hollander & Son, Inc.

"Back The Attack—With War Bonds" Slogan For Third War Loan Drive

Secretary of the Treasury Morgenthau announced on July 10 that the slogan for the Third War Loan Drive, scheduled to start Sept. 9, will be "Back the Attack—With War Bonds." The Secretary explained in a statement that the Sicilian invasion and developments on other battle fronts have provided the slogan. He pointed out that the big offensive means that the "time has come for us to really tighten our belts here on the home front," adding that "its going to be a costly victory."

Secretary Morganthau's statement follows:

"The invasion of Sicily and other news developments from battle fronts during the past 24 hours have provided a slogan for our Third War Loan Drive. It is: 'Back the attack — with war Bonds.'

"As anyone knows who has read a newspaper or listened to news bulletins on the radio this morning, the United Nations are on the march. The first rumblings of the big offensive are being heard in all the Axis nations. Thousands of our men are storming Sicily. Tons upon tons of bombs are dropping on Germany. We are attacking Jap-held territory as never before. This is a great day for us. But it means that the time has come for us to really tighten our belts here on the home front. We have come to a most crucial period in the war, and the success that we will have on the fighting fronts will depend to a considerable extent upon the degree to which we here at home are willing to work and sacrifice and sweat for ultimate victory.

"It's going to be a costly victory. We have said that before, but we must repeat it again and again. The real war has only now begun. Billions of dollars more must be spent to keep the materiel of war going to our men at the fronts. Your Government must call upon you, the American people, for that money.

"Remember, it is up to all of us here at home to Back the Attack—and to do it more enthusiastically, more thoroughly and with greater sacrifice than any attack has ever been backed by any home front in all history. Everything is at stake. Everyone must help to the very limit of his ability."

Study Of Post-War Industrial Reorganization By Group Headed By Senator O'Mahoney

Study of post-war industrial reorganization will be undertaken by a special Senate sub-committee headed by Senator Joseph C. O'Mahoney (Democrat) of Wyoming, according to United Press accounts from Washington July 15, which stated that:

"The sub-committee will begin work on the West Coast shortly before Congress reconvenes and will make recommendations for maintaining 'the fullest possible degree of employment' in the post-war shift to peacetime economy."

Other members of the sub-committee are Senate Minority Leader Charles L. McNary (R., Ore.) and Senator Scott W. Lucas (D., Ill.). Said the same advices, which added:

"The Senate committee on post-war policy and planning, under Senator Walter F. George (D., Ga.) has given Mr. O'Mahoney's group full authority to investigate and to supply Congress with complete information on post-war economic policy.

"Earlier this week the Brookings Institution accepted Senator George's invitation to assist his committee in compiling data for post-war programs."

Study By Governors and Mayors Of Wagner Bill For Redevelopment Of Blighted Areas Sought

The $50,000,000,000 plan for private enterprise rebuilding of American cities, incorporated in the recent Neighborhood Development Bill introduced by Senator Robert F. Wagner, is being laid before Governors and Mayors throughout the United States for study and local application, it was disclosed on July 17 by the Urban Land Institute. Seeking local reactions to the proposal for the redevelopment of blighted areas, the plan was sent to all 48 Governors and to the Mayors of some 400 cities. In the case of the cities to whom the proposal is being referred, the Uurban Land Institute is asking the Mayors to have appropriate planning officials study the application of the program to their communities and to offer comments.

It is pointed out by the Institute that the Neighborhood Development Plan as incorporated in the Wagner measure seeks the reuse of urban land in areas where blight and deterioration have occurred. Under the proposal, long-term Federal loans are to be made available to local authorities through the National Housing Agency for the purchase of blighted areas. The land would then be cleared and offered for sale or lease for redevelopment as attractive neighborhods in accordance with sound planning principles.

In presenting the plan to state and municipal officials, the Institute declared that not only would if offer the benefits of superior urban environment, but it would in general improve the tax position of most cities by restoring property values in deteriorated areas. Likewise, the large construction program envisioned would provide extensive post-war employment and economic activity. The Institute further says:

"Under the plan, good industrial areas as well as attractive "close in" residential neighborhoods would be built in American cities on the site of present blighted areas. Essentially a private enterprise measure, the plan also provides for public development of necessary municipal features, such as parks, buildings, schools and the like."

The Wagner bill prosposes a billion dollar fund for long-term loans. According to Charles T. Stewart, Director of the Urban Land Institute, such a rebuilding program would generate $5 of private construction for every dollar of Federal credit. Thus, it is contended 10 billions in Federal loans would result in better than 50 billion dollars of private expenditure for construction. Pointing out to the Mayors and Governors that the Wagner bill would open the way to a large-scale program of replanning and rebuilding deteriorated city areas, the Institute asserts that state and local government would be brought to the forefront in the entire procedure. Redevelopment would be carried out under municipal planning, zoning and building regulations and would enable cooperation between government agencies and private effort. Because of the preponderant local nature of the operation, the suggestions and advice of both the city and state officials is being requested by the Institute, which sponsored the plan.

The Institute, a private organization devoted to the promotion of better city development and planning, has carried on extensive work in surveying the needs of American cities.

The Wagner bill was referred to in our issue of June 24, page 2388.

Book On Govt. Securities Reflects Growing Public Confidence In Int. Rates

The 1942-43 addition of "Securities of the United States Government and Its Instrumentalities," prepared by The First Boston Corporation, 100 Broadway, New York City, is now available to institutions, dealers and others.

Recognizing the increased public importance of Government obligations and their place in the investment programs of a greatly increased number of individuals and institutions, the current publication appears in enlarged form. Extensive treatment is given to tax factors, yield and price relationships between taxable and exempt issues, Federal Reserve Bank open market operations and the part played by commercial banks and other institutions in support of the Treasury's war financing program.

Pointing out that each period brings its own new set of problems, the book emphasizes that earlier uncertainty as to the effect of large scale Treasury financing upon interest rates has given way to growing public confidence that stability will be maintained almost indefinitely. The publication states that "The fear on the part of many bankers that they would be 'loaded down' with too much Government indebtedness seems to have given way to a situation, largely due to the low rate of return available, where they cannot acquire a sufficient amount of the type of Government securities desired for income purposes."

A discussion makes the point that in a market dominated by Treasury financing operations a free market depends largely upon maintaining the delicate balance between an undervalued and overvalued level of quotations in terms of financing rates. The conclusion is reached that under present conditions the price level of Government securities is of great importance, and purchases and sales in the market should be handled with unusual care.

A section initiated in the present edition analyzes the Revenue Act of 1942 with regard to investment income, including a survey of the effective rates of taxation upon institutions subject to various classes of corporate levies, for the specific information of banks, corporations and other institutions. Discussing the importance of tax factors, it is pointed out that "It is impossible to over-emphasize the importance to the investor of fully considering his tax picture in formulating his investment policy, and of constantly reviewing this policy as it is affected by actual or potential changes in tax liability."

Much larger space than in any earlier edition is given to discussion of portfolio problems of banks, insurance companies, mutual savings banks and corporations, and to the Federal Reserve banks with special stress upon open market operations incident to war-time finance. Information is provided with regard to the Federal budget and tables are included giving details of the outstanding Treasury indebtedness and its ownership. A new table of interest values based upon 365-day tables is provided for the convenience of buyers of Government securities.

In various sections of the booklet there is extended discussion of the several financing problems involved in the financing of the war, and the repercussion of Treasury and Federal Reserve policies upon the various classes of institutions which now hold so great a portfolio interest in Government obligations.

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these securities for sale, or as a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.

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Blyth & Co., Inc.

July 19, 1943

"Our Reporter On Governments"

By S. F. PORTER

There's no gossip of any real value out on the Treasury's next big refunding deal as yet, but the traders are devoting much of their time these days to figuring out possibilities. . . . And this is the major story now in the Government bond market. . . . The timing of the refunding. . . . The question of whether the maturing issues will be paid off in cash and the money raised during or before the September drive. . . . The problem of bunching the issues or taking them up one by one. . . . The possibility of some minor new money financing when the ⅞% certificates come up for payment August 1. . . . All these subjects are coming up now and while there's no indication of what Secretary Morgenthau has in mind, we have some signs of the direction of thought. . . .

"It's going to be a big Summer for refunding, incidentally, . . . In case you've not been following this part of the market, the maturing obligations amount to well over $3,289,000,000. . . . There are the $1,609,000,000 ⅞% certificates of indebtedness, due for payment August 1. . . . There are the $279,000,000 1% notes due September 15. . . . And there are the $1,401,000,000 3¼% bonds due October 15. . . . $3,289,000,000 in all—and all coming up this Summer, unless Morgenthau decides to hold off until the last minute on the 3¼s, raise the cash for payment during the September drive and use up a good portion of it immediately thereafter to redeem these tax-exempt securities. . . .

Chances are, though, that Morgenthau will not wait until the last day. . . . It doesn't make sense, despite the fact that he could do so without trouble. . . . Instead, the feeling seems to be that the Treasury will get its various maturities out of the way before September and have the market all set and clean for the big drive. . . .

So the next item on the calendar is the disposition of the ⅞s, the 1s and the 3¼s. . . .

CONVERSION?

As far as the 3¼s are concerned, the attitude of the experts appears to be that Morgenthau will give holders of these long-outstanding tax-exmept securities a "right" privilege this time. . . . Reflection of that is in the minus yield basis quoted on the 3¼s. . . . Sale price today is 100.23. . . .

The intriguing angle here is that the payment of these will mark the retirement of another tax-exempt issue from the boards. . . . Regardless of the date chosen for payment and regardless of the method picked for raising the necessary cash, the first point is what holders of these are going to do when they get a taxable bond, either in exchange or on the market. . . .

This observer suggests that gambling on the timing of this deal and on the "right" privilege is too risky to be worth the effort. . . .

On the contrary, it may be wiser to do your own refunding now. . . . Sell the 3¼s to any buyer at the present premium—it's high enough. . . . And assuming you want a tax-exempt bond and assuming that's the reason you've held these 3¼s to the bitter end, move out of the 3¼s and into a tax-exempt issue available on the boards now. . . . Pick a long-term one so you'll not have to go through this process of "rolling over your issues" every few months. . . .

The tax-exempts have been under a little pressure in the last 10 days due to an unconfirmed rumor that the Treasury is about to sponsor a move to hit into the tax-exempt advantages and is about to work for a change in the law that will make the tax-exempts less attractive. . . . Well, maybe. . . . But even if this does happen, Morgenthau and his assistants will have a battle on their hands. . . . And a battle they'll probably lose. . . .

So you might take advantage of this recession in the prices of longer-term tax-exempts to do your own refunding on the 3¼s. . . .

AUGUST FINANCING?

As for the ⅞s and the 1s, it seems logical to expect an issue to roll over the ⅞s and to pay off the 1s in a few weeks. . . . Maybe Morgenthau will raise some new cash while he's at it, too, for the amount outstanding of the ⅞s is small enough to permit adding a half-billion or billion to the roll-over offer. . . .

The maturing issue of ⅞s is the smallest out. . . . With the $1,609,000,000 total comparing with other maturities ranging up to $5,251,000,000. . . .

It may be that Morgenthau will take care of the ⅞s in one deal and will offer a fairly large-size issue in August to raise cash for the 3¼s and 1s. . . .

It's all pretty vague at the moment but at least the time has arrived to concentrate on the refundings coming up and the best steps on that seem to be:

(1) Do your own refunding if you hold the 3¼s or 1s, so you can get what tax-exempt issue you want during this slow period. . . .

(2) Don't gamble on a conversion privilege even though one may be available on the 3¼s. . . .

(3) Use this period to switch into longer-term tax-exempts so you'll eliminate the recurring problem of rolling over your portfolio. . . .

INSIDE THE MARKET

Market has shown some odd twists recently due to buying of the taxables and selling of the exempts on the rumor about change in the tax law to make the exempts less attractive. . . . The popular 2¾s are down to 112.9 at this writing against a high of 112.30. . . . They're stabilizing there, however, and may be on their way up again soon. . . .

The new 1½s are fast becoming the key issue of the market. . . . Were up to 100.21 before slipping back slightly, indicating closeness of market and continued high-scale buying. . . .

Lots of trading in the three 2% loans which have been hitting new highs. . . . The 2s, the 1¾s of 1948 and the 1½s seem to be getting most attention now. . . .

September drive is actualy getting under way now. . . . Morgenthau to announce plans in the next couple of days and reveal goals. . . . Chances are most vital information on the deal will be out before August 1. . . .

As for issues available, it will be a "basket" again, with shorts, intermediates and longs offered to any and all types of buyers. . . .

Organization of selling groups is going on at a terrific rate. . . . Nothing like this ever has been attempted before. . . . War Finance Committees are determined to offset bad publicity given to entire setup when Victory Fund Committees were disbanded . . . Selling corps will run into the hundreds of thousands. . . .

"Even the most starry-eyed must recognize that there can be no system of compulsory saving this year," says Ted R. Gamble, national director of the Treasury's War Finance Division. . . . And that takes care of that. . . . Gamble condemned talk on subject today as "academically pointless discussion over compulsory versus voluntary lending." . . . Asked that it be stopped. . . .

Final figures out on allotments on recent 1½% issue show $19,543,543,500 subscriptions received, $2,707,264,000 notes alloted. . . . Showing Morgenthau meant what he said about keeping over-allotment down. . . . New York district subscriptions amounted to $7,301,921,000 while allotments totaled only $696,267,000. . . . Unquestionably much buying of the 1¾s, 1½s and 2s recently has been due to activities of banks rounding out their positions in short and intermediate classifications. . . .

"One-Man Parties" Held Inimical To Freedom

(Continued from page 308)

are clear, even though there may be doubt as to the conditions under which they can be accomplished. On the financial front, American business will be expected to produce the taxable wealth necessary to meet the obligations of the debt. On the psychological front, it will be expected to provide jobs in order to prevent wide-spread unrest of a revolutionary nature. On the international front, its job will be to prevent any drift into imperialism.

Briefly, the twin dangers before us are totalitarianism at home and imperialism abroad. I need not describe the relationship of one to the other. Nor need I discuss the danger of totalitarianism. I merely want to add that one of the most sinister developments which will come of the great debt that we shall have after the war will be the suggestion, already made in a few places, that the way we can carry the burden of a 300-billion-dollar debt is to enter in a big way into the exploitation of backward countries.

Returning for the moment to the question of the sort of political government under which we may live and the individuals in our present government whose views are inimical to free enterprise, I should like to suggest that it is not at all clear that the views of these gentlemen are identical. As I have seen the evolution of our idea men in Washington, I have discerned two specific types—philosophically as far apart as the poles, but politically joined in the noble enterprise of maintaining the present regime in power.

The first group consists of those individuals, mostly economists, who, for reasons which they have given in great detail, doubt that private enterprise, under any circumstances, has a future. The second group is largely composed not of economists, but of lawyers who believe in private enterprise so much that they think it will stand an unlimited amount of punishment and still survive.

The former group, with proper sorrow, would bury you alive; the latter would exercise you to death. The latter group are like doctors of 40 years ago who told tuberculous patients to get outdoors and rough it. The former group are like the doctors of 90 years ago, who told tuberculous patients that they had an incurable disease. I don't think we need spend much time in distinguishing between these groups because the ministrations of either one will result in the same degree of rigor mortis. You will be just as dead in one case as you are in the other.

Nor do I need to suggest that in the last analysis this problem is political. And since I have a somewhat more professional justification for discoursing on that subject, I should like to add a few remarks, not in the nature of practical political advice, but in the nature of classical political philosophy. In order that I may take my position sufficiently far away from present personalities, permit me to go back for a moment to Aristotle. The more I have seen of practical politics and the more that I have seen of the unfolding of political circumstance in these past few years, the more I respect the authenticity of the classical political philosophers. Aristotle, for example, described with a wealth of practical examples how the fabric of a state is eaten away by very simple processes. In his ideal state, stability was assured by a fair balance as between the monarchical, the aristocratical, and the democratic elements. But these elements are constantly exerting pressure, one on the other. The aristocratical was constantly being undermined by the efforts of an individual aristocrat to destroy the confidence of the mass in other aristocrats. He constantly endeavored to by-pass, to appeal over the heads of the others who shared power, by controlling the thinking of the people.

In our form of government, the aristocratical element is found in two elements. The first, legal—the Congress; the second, extra-legal—the party organization. These are pretty prosaic elements in our state. It is hard, in these days when men seek glamor, eloquence and color in leaders, to plead for hum-drum Congressmen or county chairmen. It is especially hard when every effort is being made by people who control great avenues of public expression to destroy confidence in Congress and the parties, to argue myself for what may seem the importance of the mediocre. But if you reflect upon the ways of men, you can readily see that if you discredit and undermine these hum-drum elements in our state, we have little between the mass emotions of the public and every demagogic master of those men's emotions.

We have seen the disintegration of the Democratic party organization before our eyes. We see a small group of personal servitors of the executive giving orders to the leaders of the party. And in the other party, we see a persistent effort under way to destroy and discredit the Republican party organization as such by direct appeals, through powerful instruments of public opinion, to compel the party to surrender its prerogatives. We hear that party organization called reactionary, visionless, isolationist and the like.

I realize I may sound like an old man stirring the dying embers of theory when I say this. But I speak the conviction of experience, and recent experience at that, when I say that those forces in both parties that thus seek to weaken popular respect for party organization and for Congress are forces that are inimical to ultimate freedom in America.

As people who have already been reminded very sharply of the fact that business cannot sustain the burden that it should assume after this war, should it be compelled to surrender its essential freedom, I hope that you will recognize the importance of party and Congress to freedom. Both deserve your support, for their stake in the state and your stake in the state are interdependent.

I realize very well that when I speak of the humble labors of party men all over this country—in states and counties and towns—I am not presenting a particularly attractive prospect. Those men have many short-comings and have committed many sins. We have been taught in the past few years to ridicule them, and to discredit them. Whenever a leader stands up and denounces them, he is regarded as a popular hero, a sort of saviour of the people. The Greeks had words to describe these popular leaders, also. Their function in the Greek state was to destroy the rule of the few and to substitute the rule of an individual by the simple expediency of bringing forth a person who was beloved by the multitude. The popular expression of our search for heroes is the thing that we hear on the lips of almost every American as he looks forward to the next national campaign. That is, "Where is the man with glamor and appeal?" I say to you that the frequency with which this is said is one of the most insidious symptoms of a national political disease. Our danger is that our instruments of communication, our widely-read journals, our radio, will, if improperly used, be the most potent means by which a so-called hero can emerge over the ruins of party organization.

I wish to leave with you one warning in any appraisal of present conditions based upon the Aristotelian political philosophy. This nation is not a Greek city. It is a country the size and productiveness of which has never had an equal. For this reason, the destructive forces of which Aristotle spoke, and which we see operating in this country, can go on for a very considerable time without fatal damage. But the nature of the disease is the same.

In the second place, effort to Federalize our nation under the stress of this war has been so productive of mismanagement that it may be many a year before any other public leader will come forward with a new nationalism.

In the third place, the idea of states' rights and responsibility is is reviving all over the country. I wish you could have seen, with me, the tremendous demonstration of this at the recent Governors' Conference in Columbus, Ohio.

In the fourth place, the states are, as never before in our time, showing a capacity for good government. I saw 40 governors at that conference; any one of ten of them would make a good President of the United States.

These, I submit are elements of hope in the present situation. But I cannot close without indicating that the danger of the new personal Federalism is very great. When we develop one-man parties, we are only a step from a one-man state. In all your calculations, keep in mind the necessity that American citizens who love their country should be helpful in keeping party government alive and be patient in the efforts of Congress.

Registration Revoked

Registration of Frances J. Lubbe, W. C. U. Building, Quincy, Ill., under the Investment advisers Act, has been revoked by the Securities and Exchange Commission on the grounds that the respondent had been permanently enjoined from engaging in or continuing certain conduct and practices in connection with her activities as investment adviser and in connection with the purchase and sale of securities and that she had wilfully made untrue statements and omissions of material facts in her registration application.

NAM Board Sees Wartime Controls Continuing For Some Time After Hostilities Cease

While expecting wartime controls to continue for sometime after the war, the controls "should be entirely eliminated as soon as practicable after hostilities cease," says a post-war report of the Transition Sub-Committee of the National Association of Manufacturers, which adds: "Such action would stimulate free enterprise, the restoration of competition and the provision of jobs." The report has been approved by the Association's Board of Directors, which stated that in its judgment, based on the report, "if the administration of wartime controls over prices, rationing, pay, jobs and materials can be improved, there may be a real need for their temporary continuance after hostilities are over.

The Committee emphasized that, if all wartime controls were ended with the ending of hostilities, the result would very likely be a rush of purchasers for the inadequate supply of civilian goods then existing, involving a serious inflation of prices to the consumer and serious practical handicaps for small businesses. When military needs no longer require the current wartime controls, according to the NAM directors, they would continue to be required nevertheless, until business is enabled to reconvert to peacetime operation of goods on a production scale which will eliminate the danger of a goods-scramble and inflation.

The Sub-Committee states that "the principal factors to be taken into consideration in determining when particular wartime controls should be eliminated are:

"1. The military needs.

"2. The prevention of inflation.

"3. The stimulation of civilian production and employment.

"4. The maintenance of fair competitive opportunity for small business firms.

"5. Whether such elimination would itself reduce the need for such controls."

According, the Board said: "While it would be inadvisable to fix definite calendar dates for the termination of controls, the extension of existing controls should be only for short periods of time."

The Board statement of its position, pointed out that it was based on the assumption that war would probably not end on the same day in both hemispheres and on all our multiplying battlefronts; and that the corresponding return of some war plants to civilian production would probably make it possible to eliminate or at least relax some of the wartime controls even while the fighting is still going on.

Meanwhile, the Board urged "that the administration of existing wartime controls be improved." "At the present time," the Board statement declared, "such controls are progressively breaking down, but this trend can and should be reversed. Such controls cannot be even reasonably successful unless experienced and able administrators are given adequate responsibility in the administration of such controls, both now and in the post-war period." Some of the practical considerations which moved the Post-War Problems Committee were explain by NAM Director John Airey, President of the King-Seeley Corp., Ann Arbor, Mich., and Chairman of the Post-War Transition Sub-Committee of the Post-War Problems Committee. He said:

"With a large majority of American enterprise now engaged in war work, there is nothing which could so thoroughly wreck the entire American post-war economy as a mishandling of the wartime controls problem.

"It is our judgment that ration books, price ceilings, job freezing, materials-priorities and the rest of the wartime controls will probably be with us for some time after the last shot is fired. For example, as it seemed to us, the materials controls which are at the base of the division between war industry and civilian industry, would certainly have to continue as long as the war lasts, so that war needs may certainly be satisfied first.

"Before we finally get rid of the wartime controls, everybody—consumer and business men alike—will have had time to get very tired of them. There will be considerable popular and political pressure to take them off as soon as the war ends. This pressure should not be allowed to run away with the situation.

* * *

"In a general way, the controls cannot be rubbed out of our calculations until we have so readjusted ourselves that they become unnecessary and meaningless."

Post-War Economic Policy Discussed In League Publication

The June number of the **"Monthly Bulletin of Statistics,"** which is published by the League of Nations Mission at Princeton, N. J., contains, in addition to the regular tables, a summary of the recent report by the League of Nations Delegation on Economic Depressions on "The Transition from War to Peace Economy." The delegation included Sir Frederick Phillips, Head of the British Supply Council in Washington, D. C., (Chairman); Henry F. Grady, President, American President Lines, former Assistant Secretary of State; Graham Towers, Governor of the Bank of Canada; Carter Goodrich, Chairman of the Governing Body of the International Labor Office; and high officials, bankers and economists from a number of other countries.

The League points out that the importance of the report on "The Transition from War to Peace Economy" lies in the fact that it is the first comprehensive answer by an official international body to the questions: How can the world avoid a serious post-war depression? By what means can a smooth transition to peace economy be effected? How can the maintenance of high levels of production and employment best be assured? These are questions of vital importance not only to every individual but also for the future of mankind; for a major depression would surely defeat the fundamental aims—social, economic and political—of post-war reconstructions, foment economic nationalism throughout the world and indeed lay the bases for another war.

The announcement goes on to state:

"The objectives of post-war economic policy, as defined in the report, should be to assure

(a) that the fullest possible use is made of the resources of production, human and material, of the skill and enterprise of the individual, of available scientific discoveries and inventions, so as to attain and maintain in all countries a stable economy and rising standards of living;

(b) that in so far as possible, no man or woman able and willing to work should be unable to obtain employment for periods of time longer than is needed to transfer from one occupation to another or, when necessary, to acquire a new skill;

(c) that in the use of these productive resources, the provision of goods and services to meet the essential physiological needs of all classes of the population in food, clothing, house room and medical care is a prime consideration;

(d) that society distribute, as far as possible, the risk to the individual resulting from interruption or reduction of earnings power;

(e) that the liberty of each individual to choose his own occupation is respected and is promoted by equal educational opportunities;

(f) that the liberty of each country to share in the markets of the world and thus to obtain access to the raw materials and manufactured goods bought and sold on those markets is promoted by the progressive removal of obstructions to trade;

(g) that the benefits of modern methods of production are made available to all peoples both by the progressive removal of obstructions to trade and by courageous international measures of reconstruction and development.

"With these objectives in view, the Delegation proceeds to consider the problems of policy, both domestic and international, that arise. In regard to domestic policy, a great danger to be avoided is a runaway price-boom, which would be followed by collapse and unemployment. It is therefore urged that wartime measures taken to control prices and assure an equitable distribution of supplies, whether to producer or consumer, should not be abandoned suddenly but relaxed gradually as shortages are overcome.

"The main preoccupation is to get men re-employed and production re-directed towards consumers' needs when the war demand falls off, as rapidly as may be possible without endangering general economic stability. Stress is laid on fiscal policies which will encourage enterprise and of schemes for teaching new skills and for helping workers find new employment.

"The lack of any general plan for getting business started in the war-stricken areas after 1918 was, it is argued, an important cause of the economic breakdown and the collapse of currencies in Europe. The experience of that period demonstrates the imperative need both of government action and of intergovernmental cooperation in solving the far graver international problems of transition after the present war. These problems are discussed at length under the following headings: relief, the international demand for crude products, the international demand for capital and credit, exchange control and multilateral clearings, the control of inflation, long-term lending, commercial policy, international organs; and a number of recommendations are set forth concerning the measures and the processes which their solution is held to require.

"Two points are emphasized in conclusion: first, that means must be found for co-ordinating the policies of the various international agencies that may prove necessary; secondly that, if wise economic policies are essential bases of a durable peace, the success of all effects to create a better economic world ultimately depends on the firm establishment of political security."

This is under no circumstances to be construed as an offering of these securities for sale, or as an offer to buy, or as a solicitation of an offer to buy, any of such securities. The offer is made only by means of the Prospectus.

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The Securities Salesman's Corner

How About Protecting the Broker-Dealer From the Unscrupulous Investor?

If you ever made the remark outside the securities business that sometimes brokers and dealers need an SEC of their own to protect them from some of their so-called customers, the average person would doubtless look at you in amazement. Yet, there is hardly a broker, dealer, or salesman who won't recognize the following little story as one of several variations of what happens far too often when those in the securities business deal with the public from day to day.

Last week one of our dealer friends received a call from a customer whom he had known for quite some time. This customer said he had heard that a certain low priced stock had excellent post-war prospects and he asked the dealer for an opinion. The dealer checked up quite carefully and reported back to the customer that in his opinion "the stock looked like a promising low priced speculation." The customer bought a hundred shares. Since the dealer knew this customer he took his order over the telephone and duly confirmed the sale. The market was over the counter and he made his sale at three-eights of a point above what he checked to be the current "inside" offering price. So far so good—our dealer friend figured out that he had made a "gross" profit of $37.50 before taxes, clearance, etc. But he didn't know that his customer **had a friend who also wanted to be a speculator.**

The next day his phone rang again. This time he was told that since his services had been so highly recommended by his customer of the day before that the speaker on the other end of the line thought he too would like to buy some of the "promising stock." This dealer knowing his other customer quite well and believing that he could take this second order over the telephone proceeded to do so.

That evening he sent out his confirmation in the regular course of business and the next morning his telephone rang again. This time it was not the new customer of the day before on the phone **but his wife.** She started in, "you know that stock YOU SOLD my husband yesterday (get the YOU SOLD), well we talked to a friend of ours and he said he had never heard of it—it's not even listed on the market—and it can't be much good. We've decided we don't want it." Seeing what he was up against, this dealer didn't argue. Of course, he asked the woman a few questions such as: Have you ever bought stock before and have you the money to lose in case a speculation turns out unfavorably? Seeing that the answer to these and similar questions would be in the negative he decided to let well enough alone and proceeded to cancel the trade. After he had sold out this second hundred shares at the bid price, which had slipped a quarter point in a market that didn't look too promising, **his net profit on the first 100 shares was turned into a loss.**

There seems to be only one remedy for such cases as these. **That's be careful!** Of course, here was a time when the dealer relied upon the fact that he thought his customer would not send him anyone who was unreliable and the amount involved was small. But in a business where more transactions are consummated over the telephone every day in the week than possibly any other line of endeavor it is essential that you not only **know your customers—but that the orders they place are clearly understood by both parties concerned.**

Roosevelt And Churchill Appeal To Italian People To Surrender—Say Resistance Hopeless

President Roosevelt and Prime Minister Churchill of Great Britain told the Italian people on July 17 that the "sole hope for Italy's survival lies in honorable capitulation to the overwhelming power of the military forces of the United Nations" but that by continuing to tolerate the Fascist regime they must "suffer the consequences" of the devastation of war at home.

The joint statement. made public simultaneously in Washington, London and Algiers, was broadcast by Allied radios and dropped by planes on Italian soil.

The message emphasized that the time has come for the Italian people "to decide whether Italians shall die for Mussolini and Hitler—or live for Italy, and for civilization."

The "shameful leadership" by Mussolini and his Fascist regime was stressed and disavowed of both Nazi Germany and their own false leaders was urged on the Italians.

The text of the Roosevelt-Churchill statement follows, according to the Associated Press:

"At this moment the combined armed forces of the United States and Great Britain, under the command of Gen. Eisenhower and his deputy, Gen. Alexander, are carrying the war deep into the territory of your country.

"This is the direct consequence of the shameful leadership to which you have been subjected by Mussolini and his Fascist regime.

"Mussolini carried you into this war as the satellite of a brutal destroyer of peoples and liberties.

"Mussolini plunged you into this war, which he thought Hitler had already won. In spite of Italy's great vulnerability to attack by air and sea, your Fascist leaders sent your sons, your ships, your air forces, to distant battlefields to aid Germany in her attempt to conquer England, Russia and the world.

"This association with the designs of Nazi-controlled Germany was unworthy of Italy's ancient traditions of freedom and culture—traditions to which the peoples of America and Great Britain owe so much.

"Your soldiers have fought not in the interests of Italy but for Nazi Germany. They have fought courageously, but they have been betrayed and abandoned by the Germans on the Russian front and on every battlefield in Africa from El Alamein to Cape Bon.

"Today Germany's hopes for world conquest have been blasted on all fronts. The skies over Italy are dominated by the vast air armadas of the United States and Great Britain. Italy's sea coasts are threatened by the greatest accumulation of British and Allied sea power ever concentrated in the Mediterranean.

"The forces now opposed to you are pledged to destroy the power of Nazi Germany—power which has ruthlessly been used to inflict slavery, destruction and death on all those who refuse to recognize the Germans as the master race.

"The sole hope for Italy's survival lies in honorable capitulation to the overwhelming power of the military forces of the United Nations. If you continue to tolerate the Fascist regime which serves the evil power of the Nazis, you must suffer the consequences of your own choice. We take no satisfaction in invading Italian soil and bringing the tragic devastation of war home to the Italian people.

"But we are determined to destroy the false leaders and their doctrines which have brought Italy to her present position.

"Every moment that you resist the combined forces of the United Nations—every drop of blood that you sacrifice—can serve only one purpose: To give the Fascist and Nazi leaders a little more time to escape from the inevitable consequences of their own crimes.

"All your interests and all your traditions have been betrayed by Nazi Germany and your own false and corrupt leaders; it is only by disavowing both that a reconstituted Italy can hope to occupy a respected place in the family of European nations.

"The time has now come for you, the Italian people, to consult your own self-respect and your own interest and your own desire for a restoration of national dignity, security and peace. The time has come for you to decide whether Italians shall die for Mussolini and Hitler—or live for Italy, and for civilization."

Ration Banking Explained In Radio Broadcast

The detailed operation of Ration Banking was set forth on July 13 in a radio broadcast over the Blue Network which was devoted to the role of banks in the war effort. This was one of the broadcasts in the series "The Nation at War" which has been on the air during the past 13 months as a public service feature of the Blue Network in cooperation with the National Industrial Information Committe and the National Association of Manufacturers.

In order to explain how Ration Banking operates, a typical Ration Banking transaction was picked up from the office of Manufacturers Trust Company in the Empire State Building where George T. Newell, Vice-President in Charge, explained how Ration Banking accounts are handled, and the general advantages of ration banking to the retail trade. Manufacturers Trust Company, through its 68 banking offices in Greater New York, claims to handle the largest volume of ration banking business in New York City. On the average, over 1,000,000 ration coupons are deposited at the bank every day.

NYSE Amended Special Offering Plan Declared Effective By SEC

The Securities and Exchange Commission has declared effective as of July 6 the amended plan of special offerings of the New York Stock Exchange.

Coincident with this action, the SEC extended indefinitely the provisions of Rule X-10B-2 which authorizes special offerings on national securities exchanges. The conditional exemption to this rule was originally adopted on Feb. 6, 1942, and subsequently extended for two six-month periods—the latter one due to end July 31. The Commission also amended Rule X-10A-1 so that over allotments in a special offering will not constitute a violation of that rule.

The SEC also announced the indefinite extension of the effectiveness of the special offering plans of the New York Curb Exchange and the San Francisco Stock Exchange.

The rules of the New York Stock Exchange covering special offerings have been amended in the following respects:

(1) To permit over allotments up to 10%.

(2) To prohibit a member from receiving any part of the special commission in connection with any purchase, not only as at present for his own account or the account of any other member or member firm, but also for any partner of a member firm.

(3) To simplify the language of Rule 494 covering the printing of special offering transactions on the tape.

(4) To delete the present requirement to reconfirm essential details of special offering transactions on statements of account.

(5) To make more specific the disclosure to customers called for by Rule 496 (b) and (c).

The present rule calls for disclosure of the "terms and conditions." The amendment describes what those terms and conditions are.

(6) In connection with information called for in considering an application for a special offering, to require weekly instead of daily price range and volume of the security for a period of six months prior to the date of the proposed offering.

(7) To provide for a minimum effective period of 15 minutes and to remove the present requirement to keep an uncompleted offering open at least three hours, but instead to require that the uncompleted offering may not be terminated without Exchange approval.

(8) To permit the inclusion in the special offering of stock acquired in stabilizing during the life of the special offering.

Financial Advertisers To Meet In Chicago

Adopting the descriptive phrase, "Collective Thinking for Individual Action," the Financial Advertisers Association will hold its 28th annual convention at the Edgewater Beach Hotel, Chicago, on Oct. 19, 20, and 21. The convention in 1942 was held entirely by mail. The Board of Directors of the Association has scheduled this year's shortened war advertising conference of two full days from noon on the 19th to noon on the 21st.

General Chairman of the convention is Lewis F. Gordon, First Vice-President of the Association and Vice President of the Citizens & Southern National Bank, Atlanta, Ga. Chairman of the Program Committee is Robert Lindquist, advertising and publicity manager of the American National Bank & Trust Co., Chicago, and a Director of the FAA. "Business every minute" will be the watchword of the convention said L. E. Townsend, President, in announcing the decision of the Board of Directors of the Association. Details of the program will be announced later.

Upswing In Farm Land Values Bears Watching

The Office of War Information, comparing current price trends of farm lands with those of the last war, warned on July 11 against a general rise of values and a subsequent "disastrous" deflation.

Although values were not at the "boom stage which led to the catastrophe of 1921," the OWI said, farm real estate values on March 1, 1943, were noticeably higher than a year earlier.

In Washington advices, July 11, to the New York "Times" it was further reported:

"On that date, the index of the average per acre values (1912-14 being equal to 100) stood at 99 for the country as a whole, as compared with 91 in March, 1942, 85 in 1941, and a low of 73 in 1933.

" 'The low point reached in 1933 was the final aftermath of an inflationary process set in motion during the last war, a process that reached a climax immediately afterward, in 1919 and 1920,' the OWI stated.

" 'Swollen land values in those two years came about through the demand for farm land that was paying heavy wartime dividends based on excessive prices received for farm products.'

"The agency said that a factor now combatting inflationary tendencies in land values, according to the Bureau of Agricultural Economics of the Department of Agriculture, was the fact that in 1942 farmers paid off about three times as much of their mortgage indebtedness as they had paid off, on the average, during each of the three previous years.

"In 1942, for the first time in twenty years, the annual average of farm prices reached parity with other prices, the OWI said.

"Since the outbreak of war, it continued, the average of farm prices had risen more than 90% and farm income by about 80%, while the average of prices paid by farmers, including interest and taxes, had increased about 25%.

" 'The more favorable cash position of the average farmer has brought about a natural rise in all farm values, but the more recent upswing in farm land values will bear watching,' the agency reported.

"The Bureau of Agricultural Economics found that as of March 1, 1943, increases in value over those of the previous year were 20 to 24% in 13 States, 15 to 19% in 16 States, 10 to 14% in 11 States and less than 10% in six States."

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve Banks and agents. The figures this time are for May 31, 1943, and show that the money in circulation at that date (including of course, that held in bank vaults of member banks of the Federal Reserve System) was $17,113,731,415 as against $16,659,573,874 on April 30, 1943, and $12,073,980,785 on May 31, 1942, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, the total was $3,459,434,174.

Third National Bank Of Nashville Makes Another New Record

The Third National Bank of Nashville, Tenn., F. M. Farris, President, is forging ahead in deposit accounts and resources of every kind. Nashville's youngest bank, organized in 1927, is now the second largest bank in that city. The Third National's record of growth may be gathered from its comparative record of deposits which has been continuous from the opening day, on July 18, 1927, without the aid of mergers or consolidations, viz:

July 18, 1927	$ 1,018,140.93
June 30, 1931	6,787,036.34
June 30, 1935	16,935,435.40
June 30, 1939	26,308,531.60
June 30, 1942	45,965,094.59
June 30, 1943	64,897,962.24

At the latest bank call, June 30, the Third National Bank had a combined surplus and undivided profits account of $2,239,414.36, in addition to its capital of $1,000,000. On the asset side, the cash and due from banks stood at $17,697,865.64, United States bonds $21,073,253.79, while State, county and municipal were $13,127,221.21, corporate bonds and securities $1,309,898.33, loans and discounts aggregated $14,117,097.86, and total resources $68,564,436.36. N. A. Crockett is Chairman of the Board and Watkins Crockett is Vice-Chairman. Besides Mr. Farris, the President, the senior officers are: E. J. Walsh, Vice-President and Trust Officer; W. J. Diehl, Vice-President and Cashier; D. W. Johnson, S. M. Fleming, W. J. Bryan and J. G. Ward, Vice-Presidents.

Condemns Moves To Force Securities On To Exchanges

Editor, Commercial & Financial Chronicle:

In spite of the fact that many officials in Washington are working in the interests of the small business man, there are elements connected with the securities business which apparently are trying to drive all transactions on to the exchanges and this means into hands of the larger organizations.

The new proposal was carried in full in the issue of the New York Times of July 15 and it has to do with the listing and/or trading on the local exchanges. This proposition, of course, rings a very respective note in the hearts of the exchanges.

As a result of this proposition the president of the Baltimore Stock Exchange has recently written a letter to all members of Congress upholding the idea as put forth by the SEC. While I have not gone to the trouble of totaling the volume of business transacted on the Baltimore Stock Exchange, according to your compilation for the week ending July 16 the stock sales for the week were approximately 5,000 shares and the bond transactions $10,200 par value. During the previous week the stock volume was about 3,600 shares and the bonds were about $18,000 par value. It is understandable that an exchange which contributes so little to the securities business of a metropolis the size of Baltimore, would like to see additional securities forced on to its list. Under free and unrestricted trading the Baltimore Stock Exchange is, from its own volume reports, not a factor in the securities business.

This entire proposition is just another phase of the "equalization argument" which went on some time ago and it is my personal opinion that this movement should be defeated. I trust you will use your great influence in the securities business in arousing public opinion against the passage of this proposed rule of the SEC.

B. S. LICHTENSTEIN.

New York City, July 19, 1943.

N. Y. Title and Mtge. Ctfs. Series C-2 Interesting

Seligman, Lubetkin & Co., Inc., 41 Broad Street, New York City, have prepared an analysis of series C-2 first mortgage certificates originally issued and guaranteed by New York Title & Mortgage Co.

Copies of this analysis may be had from Seligman, Lubetkin & Co. upon request.

St. Louis-San Francisco Situation Looks Good

St. Louis-San Francisco 4½s of 1978 offer an interesting situation, according to a memorandum issued by Raymond & Co., 148 State Street, Boston, Mass. Copies of this memorandum discussing the situation in detail may be had upon request from Raymond & Co.

Tabulate Values Of Old Issues Under Proposed Consolidated Mo.-Pacific

An estimate of the value of old outstanding issues of the Missouri Pacific Railroad Co., the International-Great Northern Railroad Co., and the New Orleans, Texas & Mexico Railway Co., in terms of their potential value under the proposed new consolidated Missouri Pacific Railroad System is supplied in a report prepared for Blair & Co., Inc., by Thomas G. Campbell, Railroad Consultant, in collaboration with Frank B. Bateman of Blair & Co., Inc.

As of June 14, 1943 the market value of all outstanding issues of the three companies totalled only around $270,000,000 the report discloses as against 1929 valuation of $700,000,000, despite the fact that last year the new Missouri Pacific System did a gross of $231,000,000 which was $90,000,000 more than was produced in 1929 by the old Missouri Pacific Railroad, and reported over $66,000,000 of gross income available for distribution, a gain of more than $36,000,000 over 1929. In addition the company at the end of 1943 may possibly have cash items alone of almost $150,000,000 not allowing for interest distributions or possible retirement of certain issues.

A tabulation of the estimated value of old issues in terms of potential value of the new securities, includes a figure of $823.30 for the Missouri Pacific first and refunding 5% bonds, 1965-1981, and $417.90 for the Missouri Pacific general 4% bonds of 1975.

Arbitrage possibilities are also discussed briefly. Copies of this interesting report may be obtained from Blair & Co., Inc., 44 Wall Street, New York City.

Canadian Bond Values Tabulated For Form TFR-500

Wood, Gundy & Co., Inc., 14 Wall Street, New York City, have prepared a table of valuations of Canadian bonds for the assistance of those required to file Form TFR-500 with the U. S. Treasury Department. The valuations are expressed in U. S. dollars and are listed as of May 31, 1943 as stipulated by the Treasury Dept.

Copies of this tabulation may be had from Wood, Gundy & Co. upon request.

Study Trade Relations Between Free-Market and Controlled Economies

The form of trading relationships which should be established between countries which subject their foreign trade to direct regulation and those which desire to avoid such controls and to influence the free play of the price mechanism only or mainly by tariffs is the subject of a new publication of International Documents Service (League of Nations Publication 1943.II.A.4). The question, which is likely to be one of the major problems of commercial policy after the war is studied by Professor Jacob Viner of the University of Chicago, who approaches the problem by analyzing the difficulties with which countries with a substantially free trading system were faced in the nineteen-thirties because of the growth of quotas, exchange control, and Government monopolies elsewhere and by appraising the attempts made to meet those difficulties. From this appraisal, the author proceeds to formulate a number of objectives and constructive proposals for the future.

The study, entitled "Trade Relations Between Free-Market and Controlled Economies," will be published on July 27th, and may be obtained from Columbia University Press, International Documents Service, 2970 Broadway, New York City; cost $1.00 per copy.

Attractive Possibilities

The current situation in Red Rock Bottlers, Inc., offers interesting possibilities, according to a circular being distributed by Hoit, Rose & Troster, 74 Trinity Place, New York City. Copies of this circular may be obtained from the firm upon request.

This announcement is not an offer to sell or a solicitation of an offer to buy these securities.
The Offering is made only by the Offering Circular.

$6,700,000

Gulf, Mobile and Ohio Railroad Company

Collateral Trust Bonds, Series A

To be dated July 1, 1943 To be due July 1, 1944-53

The issuance and sale of these Bonds are subject to authorization by the Interstate Commerce Commission

The following is merely a brief outline of certain information contained in the Offering Circular dated July 20, 1943, and is subject to the more detailed statements therein. The entire Offering Circular should be read prior to any purchase of these Bonds.

The Company, on December 31, 1942, operated 1,969 miles of single track railroad of which 1,435 miles were owned, 228 miles operated under lease and 306 miles operated under trackage rights. This mileage connects the Gulf ports of Mobile and New Orleans with the important St. Louis gateway, while a line to Montgomery, Alabama, provides access to the Southeast, and trackage right mileage connects Memphis and Birmingham with the main line. More than 92% of the Company's operating revenues for 1942 were derived from freight traffic. The Company normally carries a substantially diversified traffic in commodities and normally originates and terminates about 24%, originates and delivers to connecting lines about 27%, receives from connecting lines and terminates about 26%, and acts as a bridge line for about 23% of the total freight tonnage it handles. Further information with respect to the Company, its business and financial condition is contained in the Offering Circular.

These Series A Bonds will be secured, ratably with $8,700,000 Series B Bonds, by the pledge initially under the Indenture of First and Refunding Mortgage 5% Bonds, Series C, due 1963 (issued under the same indenture as the First and Refunding Mortgage 4% Bonds, Series B, due July 1, 1975) in a principal amount equal to 150% of the aggregate principal amount of Collateral Trust Bonds. The Indenture will provide that as Collateral Trust Bonds are retired no pledged bonds may be released unless, after each such release, the remaining principal amount of pledged bonds shall be at least equal to 200% of the aggregate principal amount of Series A and Series B Bonds which remain outstanding.

The Summary of Earnings of the Company and predecessors which follows has been prepared from the Condensed Income Accounts in the Offering Circular and is subject to the notes forming an integral part thereof and to the information in the Statement of Profit and Loss set forth in the Offering Circular. This summary should also be read in conjunction with other information set forth in the Offering Circular under the caption "Estimated Additional Revenues and Savings in Expenses Resulting from Consolidation":

Year Ended December 31	Total Railway Operating Revenues	Total Railway Operating Expenses	Operating Ratio	Net Railway Operating Income	Income Available for Fixed Charges*
1933	$13,186,200	$10,217,888	77.49%	$ 925,019	$1,050,100
1934	13,775,785	11,219,112	81.44	482,497	568,620
1935	15,026,961	11,819,779	78.66	1,173,074	1,261,458
1936	18,140,610	12,832,128	70.74	2,675,310	2,769,533
1937	19,631,924	14,809,780	75.44	2,081,960	2,174,134
1938	17,945,443	13,425,925	74.82	1,794,596	1,888,820
1939	18,660,835	13,862,745	74.29	2,154,857	2,251,267
1940	18,701,182	14,298,788	76.46	1,505,525	1,605,172
1941	23,647,846	16,126,523	68.19	3,661,460	3,775,475
1942	33,173,151	20,674,982	62.32	5,648,668	5,796,913

* Excludes inter-company transactions with New Orleans Great Northern Railway Company (controlled leased line). The amounts shown in this column are stated after all Federal and State income taxes.

On completion of the present financing, annual interest charges on all fixed interest debt to be outstanding with the public, consisting of Collateral Trust Bonds, First and Refunding Mortgage Bonds, and Equipment obligations, together with annual net fixed lease rental, will amount to not more than $1,085,179.

AMOUNTS, MATURITIES AND YIELDS

Amount	Rate	Maturity	Yield	Amount	Rate	Maturity	Yield
$500,000	3%	1944	1.125%	$ 500,000	3 %	1949	2.90%
500,000	3	1945	1.50	400,000	3½	1950	3.15
500,000	3	1946	1.90	400,000	3½	1951	3.30
500,000	3	1947	2.30	400,000	3½	1952	3.40
500,000	3	1948	2.60	2,500,000	3¾	1953	3.60

Subject to the terms and conditions of the Company's Invitation for Bids dated July 7, 1943, the undersigned have agreed severally to purchase the Series A Bonds from the Company at 100.1602% and accrued interest. These Bonds are offered subject to prior sale, when, as and if issued and accepted by the undersigned and subject to authorization by the Interstate Commerce Commission of their issuance and sale and to approval of counsel as to all legal matters in connection therewith. It is expected that Bonds in temporary form will be available for delivery on or about July 29, 1943. A statement with respect to stabilizing the price of the Series A Bonds is contained in the Offering Circular, without assurance, however, that the price will be stabilized. The Offering Circular may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.

HALSEY, STUART & CO. INC.

OTIS & CO. (INCORPORATED)
CENTRAL REPUBLIC COMPANY (INCORPORATED)
HALLGARTEN & CO.
DEMPSEY-DETMER & CO.
FIRST OF MICHIGAN CORPORATION
THE ROBINSON-HUMPHREY COMPANY
NASHVILLE SECURITIES COMPANY
F. S. YANTIS & CO. INCORPORATED
WATKINS, MORROW & CO.
MERRILL LYNCH, PIERCE, FENNER & BEANE
BLAIR, BONNER & CO.
SHROPSHIRE & COMPANY
SILLS, TROXELL & MINTON INCORPORATED

Definitive Bonds in coupon form in the denomination of $1,000 registerable as to principal and in fully registered form in denomination of $1,000 and authorized multiples thereof. Principal and semi-annual interest, January 1 and July 1, payable at the office of Halsey, Stuart & Co. Inc. in New York or Chicago or at the agency of the Company in Mobile. Bonds due 1944-52 inclusive not redeemable prior to maturity. Bonds due 1953 redeemable at the option of the Company, in whole or in part, on any interest payment date on sixty days' published notice at 103¼% to and including July 1, 1944; thereafter at redemption prices reduced on each July 2 as set forth in the Offering Circular, plus in each instance accrued interest to the date of redemption. The information contained herein has been carefully compiled from sources considered reliable, and while not guaranteed as to completeness or accuracy, we believe it to be correct as of this date.

July 22, 1943.

Abandonment By SEC Of Theory Of Mark-Up

Contends That Re-Sale Price of Oil Royalties Must Bear Reasonable Relation To "Contemporaneous Wholesale Price"

By ABRAHAM M. METZ and EDWARD A. KOLE
Members of the New York Bar

In a recent article we said "watching the future tack of 'The Commission' in its attempt to regulate the sale of oil royalties will be interesting."

Up to that time the strategy of the Securities and Exchange Commission consisted in asserting "that a statement by a dealer with respect to the price of a security carries with it the implied representation that that price bears some reasonable relation to the **prevailing market price,**" and contended that oil royalties are securities. The inference is self-evident.

Abraham M. Metz

Up to that time the Securities and Exchange Commission further contended that where the dealer does not observe this standard set up by it i.e., where the sale does not bear a reasonable relation to the **prevailing market price,** a fraudulent misrepresentation is implied.

Said "The Commission" in its brief amicus, filed in *Hallgarten vs. Lee, which involved the sale of oil royalties only:

Edward A. Kole

"The fraud can be avoided only by charging a price which bears a reasonable relation to the **market price,** or by disclosing such information as will enable the customer to make an informed judgment whether he will complete the transaction."

"The dealer's omission to disclose the spread between market price and sale price when that spread is unreasonable, renders misleading and fraudulent the representation, implied from his holding himself out as a dealer in securities, that he will deal fairly with his customers and charge prices bearing some reasonable relation to the prevailing market."

It is to be noted that the emphasis is on "market price," and "prevailing market price."

It is certain, and common knowledge possessed by every specialist in oil royalties, that as to royalty sales to the investing public there is no "prevailing market price." In its failure to recognize this, the Securities and Exchange Commission erred. If careful inquiry had been made by the Securities and Exchange Commission it could have been advised of the prevailing mark-ups, moveover, the forms 1G and 2G, which are required to be filed, contain that information.

Insofar as oil royalties are concerned, we believe that the Securities and Exchange Commission was finally convinced of the futility of its adherence to the prevailing market price rule by the case of Hallgarten vs. Lee.

Judge Fee there held:

1. No confidential relationship existed between the plaintiff and the defendant;
2. That the defendant was under no obligation to disclose the price at which the securities were acquired; and
3. That there was no market value for the sales and purchase of these royalties to the general investing public.

Since that decision there has been two releases by "The Commission," on June 28, 1943, Nos. 3450 and 3451, which convinces us that insofar as oil royalties are affected, the Securities and Exchange Commission has completely abandoned the stratagem of insisting upon the observance of the **prevailing market price** rule.

Both cases deal with the revocation of broker-dealer registrations.

In No. 3450, the Securities and Exchange Commission condemned retail sales of oil royalty interests at prices bearing no reasonable relationship to the **contemporaneous wholesale price.**

"The Commission" set up the following fiat, "the least required of the dealer being that, in the absence of special circumstances, he charge no more than a reasonable mark-up over the **contemporaneous wholesale price.**"

The position of "The Commission" was the same in No. 3451. There it held that "such prices bore no reasonable relation to the **prevailing wholesale price** for the royalties, as evidenced by his costs."

In both instances, the registration was revoked.

Dealers in oil royalties face a most acute problem which may involve their very right to continue in business. Because of their speculative nature, substantial mark-ups in retail prices have been the rule, rather than the exception. The evidence of these mark-ups are on file with the Securities and Exchange Commission on the pertinent forms. Disciplinary proceedings may be widespread if the present position of "The Commission" is permitted to prevail.

It seems that the Securities and Exchange Commission has taken no notice of the resolution passed by the Eastern Oil Royalty Dealers Association, limiting its members to "a gross profit of not more than 33 and ⅓% of the amount received in payment for such royalty." In our opinion, that Association represents the voice of experience, an experience that was not manifest in the initial insistence by "The Commission" upon the **prevailing market price** rule.

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*The case of Hallgarten vs. Lee was tried for the defendant by the writers in the United States District Court for the Southern District of New York, during the April 1943 Term of Court, before Judge James Alger Fee.

Ban On Sale Of Foreign Securities Eased

The Treasury Department on July 19 amended its foreign funds control regulation so as to authorize the acquisition by, or transfer to, any person in the United States of any interest in "securities or evidences thereof" physically situated in Great Britain, Canada, Newfoundland, or Bermuda and of any other member of the "generally licensed trade area." The Treasury Department circular was made available as follows by Allan Sproul, President of the Federal Reserve Bank of New York:

"Treasury Department,
"Office of the Secretary
"July 19, 1943.

"General License No. 87—Under Executive Order No. 8389, as amended, Executive Order No. 9193, section 5 (b) of the Trading With the Enemy Act, as amended by the first War Powers Act, 1941, relating to foreign funds control:

"(1). **Transactions licensed under section 2A(2) of the Order**—A general license is hereby granted under section 2A(2) of the Order authorizing the acquisition by, or transfer to, any person within the United States of any interest in:

"(a) Securities or evidences thereof physically situated in Great Britain, Canada, Newfoundland, or Bermuda;

"(b) Securities or evidences thereof issued in any other member of the generally licensed trade area, which are physically situated in, and payable solely in the currency of, the country where issued, except securities or evidences thereof issued by a person engaged in the business of offering, buying, selling, or otherwise dealing or trading in securities or evidences thereof issued by another person.

"(2). **Definitions**—The term 'member' of the generally licensed trade area shall have the meaning prescribed in General License No. 53, as amended.

"(3). **Transaction not authorized**—This general license shall not be deemed to authorize any transaction prohibited by any provision (or ruling or regulation thereunder) of the Order other than section 2A(2).

"RANDOLPH PAUL,
"Acting Secretary of the Treasury."

Time Extended For Foreign Property Reports

The Treasury Department announced on July 14 that all persons subject to the jurisdiction of the United States, who owned property in a foreign country or who had an interest in such property on May 31, 1943, have been given an extension of time from Aug. 31 to Nov. 1, 1943 in which to file a report of ownership. Advices to this effect, made available by the Federal Reserve Bank of Chicago also state:

"The report must be filed on form TFR-500 provided the ownership or interest was not acquired after May 31, 1943. If the total value of such property was less than $10,000, no report need be filed. With certain exceptions, notably bonds payable in United States dollars, a report must be filed regardless of amount. Forms for filing may be obtained at any Federal Reserve Bank or branch.

Attractive Growth Outlook

International Industries, Inc., manufacturers of Argus and Argoflex Cameras, offers interesting possibilities for substantial growth in the post-war period according to a circular being distributed by A. L. Stamm & Co., 120 Broadway, New York City, members of the New York Stock Exchange. Copies of this interesting circular may be had from the firm upon request.

Ickes Blames Business Men Drafted For War Aid Not Bureaucrats For Failure In War Program

It's the business men drafted for the war effort who should be blamed for any frictions or failures in the war program and not the brain trusters, New Dealers or bureaucrats, Secretary of the Interior Harold L. Ickes declared on July 20 in an address before the Sales Executives Club of New York at the Hotel Roosevelt.

In reporting his remarks the New York "Sun" of July 20 quoted Mr. Ickes as follows:

"In a more than somewhat sarcastic luncheon speech in which he described himself 'one of the few New Dealers left in the Washington administration' and in which he took his listeners on a trip through a museum to see a 'new Dealer who was stuffed for posterity and who now hangs here as a reminder of an age gone by,' Mr. Ickes put responsibility for the war program right on the dollar-a-year doorstep.

"'It isn't the New Dealers who have been running this war,' he said. 'I challenge any one to name names and fix responsibilities. If I know anything about Washington it is that the business men who have been drafted have been running the war—men like Knudsen, Nelson, Stettinius and many others whom I might mention. These are the men to whom the President has given vast powers. And while you are pondering this fact, consider also that many of the most influential and busiest executives in this administration were never New Dealers. Nor are they now.'

"'I have sometimes ventured to think—all by myself, of course,' he said at another point, 'that this sudden and great influx of men, who, while highly competent in their own fields, were inexperienced and untrained in and unsympathetic with Government procedures, was not as well advised as it appeared to be.

"'The clankings, the screechings or badly oiled machinery, the clashings of one war endeavor against another may have at least somewhat been due to the fact that new hands were undertaking work that they did not know too much about. Be this as it may, as I have already indicated, if the war program has broken down at any point, if it has failed to keep the pace that had been hoped for, it hasn't been chargeable to the brain trusters, to the New Dealers, or to the bureaucrats.

"'The thousands upon thousands of additional employees that have come to Washington since we undertook to make this country an arsenal for democracy are not employees taken from the established agencies of the Government. The country ought to know that so well that it ought not have to be told. They were employees, from top executives to typists, brought to Washington from the private business and the civil life of the country.'

"The Secretary of the Interior, Petroleum Administrator for War and author concluded with the assertion that the last brain trusters, New Dealers and bureaucrats have been trying to win the war as quickly as possible."

Clothing Stock Looks Good

An interesting descriptive circular on Fashion Park, Inc., which the firm believes offers attractive possibilities, has been prepared for distribution by Simons, Linburn & Co., 25 Broad Street, New York City, members of the New York Stock Exchange. Copies of this circular may be had from Simons, Linburn & Co. upon request.

Mid-Year Bank Figures Study Now Available

Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange, have prepared an interesting analysis of bank stocks revised to include the mid-year figures. Copies of this analysis may be had from the firm upon request.

Safety Car Heating and Lighting Co.

(Continued from page 300)

and a "solid core" of replacement and service demand sufficient to maintain profitable operations in bad years. During the Great Depression, in only one year, 1931, did the company fail to show a profit.

	—Per Share—		
Year	Earned	Dividend	Price Range
1933	$2.46	$3.00	80 —16½
1934	3.84	3.00	83 —50
1935	5.45	4.00	85 —60½
1936	7.75	6.00	123 —70
1937	16.60	10.00	133 —70
1938	1.36	2.00	92 —46
1939	3.63	3.50	69 —43
1940	3.03	3.00	65½—37
1941	11.01	5.50	62 —43½
1942	5.49	5.00	59 —40

Based on 94,018 shares of capital stock outstanding.

The company's balance sheet as of the 1942 year-end revealed a strong financial position, as has been the case for a great many years. The ratio of current assets to current liabilities was 9.5 to 1 and net current assets amounted to $58.30 per share of capital stock. Following is a condensed consolidated balance sheet as of Dec. 31, 1942.

Assets	
Cash	$812,925
U. S. Gov't Securities	1,147,000
Short Term Discount Notes	847,284
Other Marketable Securities	529,193
Accounts Receiv. (Less Res.)	765,469
Inventories (lower cost or mkt.)	2,009,164
Agents' Balances	10,210
Total Current Assets	$6,121,245
Land, Building, Machinery, etc., (Less Res.)	610,580
Investments in Subsidiaries	1,000,200
Miscel. Assets	57,366
	$7,789,391
Liabilities and Capital	
Accounts Payable	$124,105
Reserve for Taxes	519,878
Total Current Liabilities	$643,983
Reserve for Contingencies	567,695
Miscel. Liabilities	23,452
Capital Stock and Surplus	6,554,261
	$7,789,391

Fixed assets as shown in the above balance sheet are written down from an original book figure of $3,735,695. Company uses the invested capital option in calculating excess profits taxes and its invested capital for tax purposes appears to be higher than the drastically written-down balance sheet figure. Gross exemption appears to be between $6 and $8 per share, giving a net exemption after 40% normal and surtax of between $3.60 and $4.80 per share.

Although current earnings (largely from war work) are highly satisfactory, the combination of substantial deferred demand for its products and improved buying power among the railroads gives promise of an excellent volume of post-war business for this company.

Situation Attractive

The current situation in Northeast Airlines, Inc., offers attractive possibilities, according to a circular prepared by Ward & Co., 120 Broadway, New York City. Copies of this circular discussing the interesting post-war prospects of this airline may be had from Ward & Co. upon request.

Petrolite Looks Good

Petrolite Corporation, Ltd., offers interesting possibilities for income, according to a memorandum issued by Hill, Thompson & Co., Inc., 120 Broadway, New York City. Copies of this memorandum discussing the situation may be had upon request from Hill, Thompson & Co.

DIVIDEND NOTICES

Bayuk Cigars Inc.

A dividend of thirty-seven and one-half cents (37½¢) per share on the Common Stock of this Corporation was declared payable September 15, 1943, to stockholders of record August 31, 1943.

Checks will be mailed.

John A. Snyder
TREASURER

Philadelphia, Pa.
July 16, 1943

MAKERS OF PHILLIES

INTERNATIONAL HARVESTER COMPANY

Quarterly dividend No. 100 of one dollar and seventy-five cents ($1.75) per share on the preferred stock, payable September 1, 1943, has been declared to stockholders of record at the close of business August 5, 1943.

SANFORD B. WHITE, *Secretary.*

NATIONAL DISTILLERS PRODUCTS CORPORATION

The Board of Directors has declared a regular quarterly dividend of 50¢ per share on the outstanding Common Stock, payable on August 2, 1943 to stockholders of record on July 15, 1943. The transfer books will not close.

THOS. A. CLARK
June 24, 1943 TREASURER

Consol. Cigar Corp. Debentures Offered

Offering of $7,000,000 Consolidated Cigar Corp. 10-year 3¼% sinking fund debentures dated July 1, 1943 and due July 1, 1953, was made July 16 at a price of 101% and accrued interest, by an underwriting group headed by Eastman, Dillon & Co., and including Kidder, Peabody & Co., The First Boston Corp., Blyth & Co,. Inc., Lehman Brothers, E. H. Rollins & Sons, Inc., Riter & Co., McDonald-Coolidge & Co., Charles Clark & Co., Blair & Co., Inc., Merrill Lynch, Pierce, Fenner & Beane, Kebbon, McCormick & Co., Dean Witter & Co., Alex. Brown & Sons, Piper, Jaffray & Hopwood, The First Cleveland Corp., Kalman & Co., Inc., Merrill, Turben & Co., and Rogers & Tracy, Inc.

One of the largest cigar manufacturing and selling companies in the country, Consolidated Cigar Corp.'s principal brands include "El Producto", "Dutch Masters". "Harvester", "La Palina" and other brands. The corporation manufactures all of the cigars sold by it and its subsidiaries at Philadelphia, Lancaster, Coplay and Allentown, Pa., Camden and Perth Amboy, N. J., and Poughkeepsie, N. Y.

Upon completion of its financing the outstanding funded debt and capitalization of the corporation will be as follows: funded debt, $7,000,000 3¼% debentures due July 1, 1953; capital stock, 38,162 shares of 6½% cumulative prior preferred stock and 250,000 shares of common stock.

Net income of the corporation, according to the prospectus, for the calendar year 1942 was $1,388,353; 1941, $1,455,677; 1940, $1,209.488: 1939, $820,861 and 1938, $842,573.

Halsey, Stuart & Co. Offer Rail Bonds

Halsey, Stuart & Co. Inc. and associates are offering today a new issue of $6,700,000 Gulf, Mobile and Ohio RR. collateral trust bonds, Series A. Maturing in varying amounts annually each July 1, from 1944 through 1953, the bonds are being offered at prices to yield from 1⅛% to 3.60%, according to maturity, and are offered subject to Interstate Commerce Commission approval. The first six maturities bear a 3% coupon, the next three, a 3½% coupon and the final maturity has a 3¾% coupon.

The bonds were awarded to the Halsey Stuart group on their bid of 100.1602, which is an approximate interest cost of 3.50% to the railroad. Halsey, Stuart & Co., Inc. as an individual undertaking had previously agreed to bid a price to produce an interest cost of not more than 3.75% for the issue, reserving the right to bid a higher price.

The proceeds to be received by the company from the sale of these Series A bonds, together with $8,700,000 proceeds of a like principal amount of 4% Series B bonds due 1953, being taken by Reconstruction Finance Corporation to evidence a loan, and approximately $3,440,000 treasury cash will be applied to the redemption on October 1, 1943 of $9,437,000 Gulf, Mobile and Northern RR. first mortgage 5½% and 5% bonds due 1950 and to the payment at the face amount thereof and accrued interest of the company's 4% note due 1950 in the principal amount of $8,780,000, held by the Reconstruction Finance Corporation.

As of April 30, 1943, total fixed interest debt in the hands of the public was $29,842,259, while a pro-forma tabulation, giving effect to the present financing, places this debt at $26,743,259, a decrease of $3,099,000. The offering circular indicates that this financing will accomplish a reduction of $3,099,000 in the company's fixed interest debt and that upon completion of this financing, annual interest charges on all fixed interest debt to be outstanding, including annual net fixed lease rental, will not exceed $1,085,179, a reduction of about $332,000.

Other members of the offering group in addition to Halsey, Stuart & Co., Inc. are: Otis & Co., Inc.; First of Michigan Corp.; The Robinson-Humphrey Co.; Central Republic Co.; Hallgarten & Co.; Dempsey-Detmer & Co.; F. S. Yantis & Co., Inc.; Nashville Securities Co.; Watkins Morrow & Co.; Merrill Lynch, Pierce, Fenner & Beane; Blair, Bonner & Co.; Shropshire & Co.; and Sills, Troxell & Minton, Incorporated.

Railroad Securities

(Continued from page 301)

upon by either the Rock Island or St. Paul groups.

There is little in the history of the Commission's record of reorganization procedure that would indicate an inclination to increase the debt, either fixed or contingent, that it originally set up as sound. Nor is there any indication that the courts having jurisdiction in reorganization cases consider the opinions of the Commission on supportable capital structures too drastic. While admitting that the Missouri Pacific will probably be allowed to utilize its cash towards furthering reorganization, therefore, most railroad men consider that the recent compromise plan has much less chance of getting official approval than has either the Rock Island or the St. Paul.

20th Century-Fox Preferred Offered

Offering of 665,7f5 shares of Twentieth Century-Fox Film Corp. $1.50 conv. cumul. preferred stock (no par) at $33.50 a share July 19 by an underwriting group of 122 investment firms headed by Lehman Brothers and Blyth & Co., Inc., was oversubscribed and the books were closed. The shares offered were owned by Chase National Bank and represent approximately 73% of the 905,081 shares issued and outstanding as of July 13, 1943. The corporation will not receive any proceeds from the sale.

The $1.50 preferred stock is convertible into common stock on the basis of 1¼ shares of common for each share of preferred, and is callable on 45 days' notice at $35 and accrued dividends. Conversions can be made up to within five days of the date of redemption. The $1.50 preferred is also entitled to the benefit of an annual retirement fund equal to 5% of consolidated net earnings after deducting an amount equal to the full cumulative dividend requirements on such stock for such year.

Outstanding capitalization of Twentieth Century-Fox Film Corp. consists of 100,000 shares of $4.50 prior preferred stock, 905,081 shares of $1.50 convertible preferred stock and 1,742,000 shares of no-par common stock.

Business Failures In June Decline

June business failures declined in number from both May of this year and June of last year but the amount of liabilities involved increased sharply in June over May. Business insolvencies in June, according to Dun & Bradstreet, Inc., totaled 265 and involved $6,076,000 liabilities, as compared with 281 involving $2,550,000 in May 1943 and with 804 involving $9,906,000 in June 1942.

The decrease in the number of failures in June from May took place in all the groups into which the report is divided with the single exception of the commercial service group which had a large amount of liabilities involved. When the amount of liabilities involved is considered, the reverse is true, all groups recording an increase with the exception of the wholesale group.

Manufacturing failures last month amounted to 39, involving $1,441,000 liabilities, compared with 48 in May with $826,000 liabilities. Wholesale failures decreased to 15 from 23 and liabilities involved. from $308,000 to $125,000 in May. In the retail trade section insolvencies declined to 147 from 156 in May but liabilities rose to $2,334,000 from $756,000 the previous month. Construction failures numbered 31 with $577.000 liabilities compared with 35 with $267,000 liabilities in May. Commercial service failures numbered 31 in June as compared with 19 in May and liabilities increased to $1,600,000 in June from $393,000 in May.

When the country is divided into Federal Reserve Districts it is seen that the Boston, New York, Cleveland, St. Louis and Minneapolis Federal Reserve districts had fewer failures in June than in May and the Atlanta Reserve District had the same number, while all of the remaining districts had a greater number of failures. When the amount of liabilities involved is considered only the Cleveland and Minneapolis Reserve districts had a smaller amount of liabilities in June than in May.

AMERICAN
Business Shares, Inc.

Prospectus on request

LORD, ABBETT & CO.
INCORPORATED
63 Wall Street, New York
CHICAGO JERSEY CITY LOS ANGELES

Investment Trusts

It is not too late, we hope, to pay our respects to Mr. Arthur Wiesenberger and his associates for the splendid job they have done in publishing their 1943 edition of "Investment Companies and Their Securities." We have examined this third annual edition of Mr. Wiesenberger's manual with admiration, but also with a feeling akin to gratitude for his conclusive work in vindicating the investment company field.

Working independently of the field itself, Mr. Wiesenberger has assembled in one large, attractive volume a greater array of pertinent, up-to-date investment company statistics than can be found anywhere else. Nor has it been a labor of love merely, from what we hear, but like most other genuinely constructive efforts in the financial community, it has been well repaid.

The space devoted to the open-end or so-called "mutual" companies is somewhat less than might have been desired by those of us most directly concerned with them. However, the open-end companies are actively telling their own story and doing a good job of it, too. Considering this, and also the fact that trading in shares of open-end companies has its difficulties, Mr. Wiesenberger is not to be blamed for emphasizing the leverage and non-leverage closed-end companies.

His big contribution, however, is one that helps all three types of companies. That is his clear-cut presentation of their management records—in the aggregate, by individual types, and company by company. In this comparison the open-end companies more than hold their own.

But perhaps more important from the broad viewpoint, he shows that all three types of investment companies have average management records which compare favorably with the performance of the market itself. Last year, for example, the 52 companies included in his general review showed an average asset appreciation of 16% as compared with a gain of 15% for the Dow-Jones Composite Stock Average (all figures being adjusted for actual dividends paid).

This makes the third successive year that the average performance of the investment companies has bettered the performance of the general market. Going back to 1926 and taking the leading companies on which data are available, Mr. Wiesenberger shows that in 12 out of the past 17 years the average performance of the investment company field was superior to the action of the market.

The manual points out that even mediocre managements can have brief periods of good luck and that long-term management results are therefore of greater significance to investors. In this connection, the figures presented will no doubt be startling to the many who still have a poor, if uninformed, opinion of investment company management results.

For example. in the period from 1930 to 1942, inclusive, the Dow-Jones Composite Average, adjusted for dividends, registered a net decline of 40%. In this same period the leverage companies were off only 20% on average; the non-leverage companies were up 12%; and the open-end companies showed a net gain of 25%!

These figures represent only a minute sample of Mr. Wiesenberger's presentation. But they emphasize his own statement that, "The summary of management results . . . and the specific detailed results . . . conclusively prove that management of leading investment companies has been better than general stock market movements."

General Bond Shares

A Class of Group Securities, Inc.

Prospectus on Request

DISTRIBUTORS GROUP, INCORPORATED
63 WALL STREET—NEW YORK

Eaton & Howard Balanced Fund

Net asset value of Eaton & Howard Balanced Fund on June 30, 1943, was $5,656,224, equal to $19.96 for each of the 283,290 shares outstanding. This compares with net assets of $4,027,924 on Dec. 31, 1942, equal to $16.31 on 246,954 shares.

On June 30, 1943, 38.32% of the Fund was invested in bonds—including 11.32% in short and medium term U. S. Governments; 30.59% was invested in preferred stocks, 26.82% in common stocks, and 4.27% was uninvested.

Eaton & Howard Stock Fund

Net asset value of Eaton & Howard Stock Fund on June 30, 1943, was $666,719, equal to $12.02 for each of the 55,438 sahares outstanding. This compares with net assets of $523,618 on Dec. 31, 1942, equal to $9.76 on 53,624 shares.

INCORPORATED INVESTORS

Prospectus may be obtained from authorized dealers, or
The PARKER CORPORATION
ONE COURT ST., BOSTON

Municipal News & Notes

Receipts from Maryland's two toll bridges have dropped below the amounts estimated by traffic engineers as being a fair average monthly income for the first time in the three years that the structures have been in operation, it was reported on July 9. A recapitulation by William A. Codd, Chief Auditor of the State Roads Commission, showed, according to report, that the Potomac and Susquehanna river bridges are now returning only about two-thirds the revenue they did before gasoline rationing.

For the first five months of this year, Mr. Codd revealed, the average monthly revenue from the two bridges totaled $47,044, or $2,000 less than the $49,166 estimated as necessary during this year to meet operating expenses and amortize the bonds.

The decline in revenue has resulted from the sharp decrease in traffic over the Susquehanna bridge at Havre de Grace. In May, 1941, tolls collected there totaled over $67,000. Last May they amounted to only $34,000.

While revenue on the Susquehanna river bridge has declined, toll collections on the Potomac river bridge have increased slightly, Mr. Codd reported.

Income from the bridge during May, for example, totaled nearly $17,000, as opposed to the $13,000 collected in May, 1941.

State Roads officials anticipate a continued decrease in over-all revenue from the two bridges. On July 2, 3, 4 and 5 of this year only 21,000 vehicles utilized the bridges, as compared with the 41,000 which crossed them on those days a year ago.

The commission is prepared to revamp the financial setup under which the bridges are operated if revenues drop too sharply, but it is not ready to discuss what form the changes might take.

It was pointed out, however, that a possible step would be the relaxation of present requirements for maintaining at all times a cash reserve equal to the two succeeding interest payments, the next scheduled bond maturity, current operating funds and a "cushion" of $250,000.

The combined sums which thus must be held in hand total something in excess of $550,000.

Mr. Codd asserted that the State Roads Commission would be in a considerably stronger position financially had it not been required, by the terms under which the bonds were floated, to purchase bonds with any excess cash reserves.

During the first two years of the bridges operations $626,000 worth of bonds were bought, coincident with the maturing of a lot of $150,000, so that of $6,000,000 in bonds originally issued, $5,224,000 are now outstanding, the report added.

New Haven, Conn., Bonded Debt Cut 52% In 11 Years

The net bonded indebtedness of the City of New Haven has been reduced almost 52% during the 11 years of the administration of Mayor John W. Murphy, having been slashed a total of $10,132,888.53, with a consequent reduction of interest costs to taxpayers that now exceeds $500,000.

Controller Cecil J. Marlowe has revealed that as of June 30 the net bonded debt of the city had dropped to $9,487,315.83, the lowest figure in two decades. The net indebtedness as of Dec. 31, 1932, when the Murphy administration first came to power, was $19,620,204.41. Thus, the net reduction for the 11-year period has been $10,132,88.58.

In addition to the tremendous bonded debt reduction, Controller Marlowe stated that with the present budget control system now in effect the city will probably be able to keep within its budget this year, barring any unforseen national emergency.

The total bonds outstanding as of June 30 amounted to $9,987,000, but $499,684.17 of this sum is available in the sinking fund to retire some of the bonds.

The controller's figures also revealed that the net bonded indebtedness has been decreased since January 1 by $671,755.11, and will be further reduced befor the end of the year.

Because of the steady reduction in the bonded debt over the past 11 years, interest charges for 1943 will be $389,376.25, or $504,144.33 less than the $893,520.58 which the taxpayers were required to pay in 1932.

This debt slicing also gives the city an increased borrowing margin of $9,685,817.07, the largest of any time during Mayor Murphy's terms of office and over a million dollars more than last year's margin of $8,367,746.25.

No new bonds of any type were issued during 1942, just as there were none in 1941, and early indications are that the city may again be able to avoid long-term borrowing in 1943. New Haven was also able to avoid borrowing on short-term notes last year as 1941 and at mid-year this year because of pre-payment of taxes by many of the city's largest property holders, together with the increase in the grand list and the debt reduction. Balanced budgets with a cash surplus resulting have also been a contributory factor.

New Jersey Local Valuations Show Increase

Based on returns from 21 county tax boards, the value of real estate and personal property assessed in New Jersey for 1943 was $5,448,753,990. This consists of $4,438,488,252 in real estate and $1,010,265,738 in personal property. The increase in the total over last year is $4,307,534. The 1942 assessments showed a net decrease of $166,682,312 from those for 1941.

The assessed value of personal property is up approximately $234,000,000, rising from $776,268,659. This is nearly offset by a decline in real estate values from $4,571,228,410.

Real estate valuations in Essex County declined from $1,126,084,861 in 1942 to $1,116,649,586 this year, a drop of $9,435,275. Personal property valuations valuations in the county rose from $238,236,018 to $253,647,549, an increase of $15,411,531.

Adjustments by the new Hudson County Tax Board are reflected to some extent in returns from that county. Real estate valuations fell from $861,866,245 to $731,107,918 and personal assessments rose from $115,614,696 to $156,418,556. The Hudson County personal property increase would have been greater if the registered offices of many large corporations had not been transferred to municipalities with lower tax rates, imposing smaller burdens upon corporations.

Hunterdon County was the big gainer by these transfers. Its personal property valuations rose from $59,897,504 to $211,724,121, while real property values remained almost stationary at $25,591,550. The rise in corporation taxes lowers the tax rate of municipalities, particularly Flemington, which was made registered or principal offices of many large companies transferring from Jersey City.

Assessed valuations for 1943 in other counties follows:

County	Personalty	Realty
Atlantic	$10,169,792	$108,906,169
Bergen	62,813,223	428,199,106
Burlington	7,827,471	53,724,983
Camden	39,534,985	219,389,426
Cape May	3,493,654	48,008,933
Cumberland	9,301,708	42,900,599
Gloucester	7,553,075	49,388,962
Mercer	38,284,160	202,838,503
Middlesex	31,713,781	170,733,717
Monmouth	15,434,502	167,468,605
Morris	13,853,472	109,743,221
Ocean	4,137,617	41,855,247
Passaic	38,661,229	326,892,253
Salem	17,220,407	30,156,928
Somerset	8,640,563	59,098,561
Sussex	4,321,712	28,616,051
Union	67,319,688	443,270,450
Warren	8,194,473	33,947,484

State Tax Commissioner Kelly, whose department handles the returns, announced there will be a hearing July 27 on the valuations fixed in each county. The hearings have become almost obsolete. Last year only one person appeared and it developed all he wanted was information. He had no complaint.

Gasoline Taxes Outstanding State Tax War Casualty

Gasoline taxes are the outstanding war casualty in the State tax family, but taxes on both alcoholic beverages and tobacco have proven boons for state revenues, the Federation of Tax Administrators found in its study.

Declines in gasoline tax revenues are particularly serious in those States relying heavily upon them for revenues and in States designating gas tax revenues for special purposes such as retirement of debts.

In calendar year 1942 revenues from gasoline taxes decreased 11% below 1941 and .8% below 1940. January, February and March decreases this year below corresponding months of 1942 amounted to 34.2, 38 and 29.5%, indicating steeply declining revenues. Figures from 45 States show Tennessee and Kansas were the only States with slight increases—about 2% above March, 1941, in each case.

Gasoline tax yields began slipping as early as March, 1942, but the downward trend was retarded somewhat during the summer months. Total collections for the calendar year 1942, excluding Arkansas, Idaho and Pennsylvania, amounted to $819,000.000, a drop of almost 11% below totals for calendar 1941.

Nation-wide rationing showed its effects upon gasoline tax revenues for the first time in January, 1943, with the decrease below January, 1942, amounting to 34.2%. In March, 1943, one year after the first tendency toward a decrease was noticed, gasoline taxes in 47 states yielded only $41,400,000, a decrease of almost 30%.

On the other hand, taxes on alcoholic beverages have produced steadily increasing yields throughout the country the last three years. This holds true also of revenue or "profit" trends from state liquor monopolies operating in various forms in 18 states.

Tax collections from distilled spirits rose 16.5% in calendar 1941 and 24.3% in calendar 1942, but January and February, 1943, showed declines of 15.1 and 14.3% from the very high collections a year before. March and April again showed an increase in distilled spirits tax revenues and also in those from beer and wine which have never slackened their upward climb.

A review of the trend in 39 states on a calendar year basis shows revenues from alcoholic beverage taxes increased from $166.000,000 in 1940 to $196,000,000 in 1941 and to $237,000,000 in 1942.

All over the country increased revenues from alcoholic beverages show increasing total consumption of them. According to a study by the Illinois Liquor Commission, per capita consumption of alcoholic beverages increased 12.9% during calendar 1942 over 1941 throughout the United States. Per capita consumption of alcoholic beverages as a whole was highest in Nevada; the District of Columbia led in distilled spirits consumption while California had the highest per capita consumption of wine and Michigan led in beer consumption.

A similar upward trend is anticipated in tobacco tax revenues, and if revenues from other major sources should show a more pronounced decrease or if the uncertainty about state revenues in general continues, other states besides the 31 already having tobacco taxes will probably levy them.

County Role In Local Government Discussed

The following report, recently issued by the Tax Institute, Philadelphia, discusses the role of counties in the local government field:

The Census Bureau has discovered the county. Or, perhaps it would be more accurate to say, it is letting the public in on county affairs. County data have been collected annually by the Bureau since 1907, but the first publications of such data were made in September, 1942, with the report on **finances of Twenty-nine Selected Counties for 1940**, and in December, 1942, with a preliminary report on 1941 data. The final report, **Financial Statistics of Counties: 1941**, appeared in May, 1943.

Dr. Wylie Kilpatrick, author of the Census report, points out that "Neither the repressive effect of the depression nor the transfer of county functions to the State has reduced the financial importance of the county as an instrument of government. In States employing fiscal aid to assist in financing local functions, the county is assuming a major role in the administration of welfare, health, roads, and schools. . . . County property taxes of $837 million were one-fifth of all local revenue from property taxation. More than one-third of all fiscal aid to local government was paid to counties, which received $627 million of the total $1,794 million of fiscal aid to local units."

Nevertheless, the importance of the county as a revenue producer is declining. County property tax levies declined nearly 10% from 1932 to 1941. County gross debt decreased almost 20%. Assessed valuations shrank 14%.

There are 3,050 counties in the United States. They employ 336,000 persons. They spend $1,777,000.000, of which they collect $837,000.000 in property taxes. Most of the remainder comes from Federal and State aid.

Their principal functions are administration of welfare, health, roads, and schools. Where there are overlapping local units some of these functions may be administered by other units. The county is an essential part of our governmental structure, but generally speaking it is not a unit to which we point with pride. To begin with, there are too many of them. We could get along nicely with 2,100 counties, suggests Professor William Anderson in **The Units of Government in the United States.**

Probably most political scientists would agree with Professor Anderson that we have too many counties. Why do we have so many? There are various reasons. Tradition, vested interests and inertia are some of them. Suppose coldblooded political scientists should decide that the neighboring counties of Bullfinch and Smithdale should be consolidated. Would the new unit perpetuate the grand old traditions of Bullfinch by bearing that name or would it carry on the up-and-coming spirit of Smithdale through its name? Which of the courthouses and county seats would retain their customary prestige? These are weighty matters calculated to make local orators impassioned.

Beside such lofty considerations the vested interests appear mean and paltry indeed. But they are by no means to be brushed aside. County advertising makes a juicy tidbit and local papers that would stand to lose such a pleasant morsel by a proposed consolidation have been known to oppose vigorously any such mergers, utilizing of course any convenient red herrings for the purpose. There are other vested interests. Finally, there is the obstacle posed by the god of things as they are, "Why bother, haven't we been getting along all right without any of these new-fangled changes?"

Perhaps an even greater obstacle to county efficiency than the excessive number of counties is the multiplicity of other local units undermining the power and prestige of the county. There are 145,688 local units in addition to counties, cities and villages. The functions of many of these units could be more efficiently administered along county lines.

The Business Man's Bookshelf

Legacy of Nazism, The—Economic and Social Consequences of Totalitarianism—Frank Munk—The Macmillan Company, 60 Fifth Avenue, New York City—Cloth—$2.50 (publication date July 20).

Securities of the United States Government and its Instrumentalities—The first Boston Corporation, 100 Broadway, New York City—Paper.

Use of Part-Time Workers in the War Effort, The—Industrial Relations Section, Department of Economics and Social Institutions, Princeton University, Princeton, N. J.—Paper—$1.00.

Basic Criteria of Price Policy, Chapter XI of the forthcoming book "Price-Making In a Democracy—Edwin G. Nourse—Brookings Institution, Washington, D. C.—paper—25c.

International Policy In a Synthetic Era—Cartellization For a Post-War Planned Democracy—Warner F. Brook, Ph.D.—Pamphlet Distributing Co., 313 West 35th Street, New York 1, N. Y.—paper—25c.

Monsanto Plastics, A. Guide for Product Designers — Monsanto Chemical Company, St. Louis, Mo.—paper.

War Strategy and Post-War Problems—Industrial Relations Section, California Institute of Technology, Pasadena, Calif.—paper.

SEC Acts Against Two

The Securities and Exchange Commission has revoked the dealer-broker registration of Patrick H. McClellan who had been permanently enjoined by the New York Supreme Court from engaging in the sale of securities.

Registration of William R. Carver, another Syracuse dealer, was suspended by the Commission in view of an injunction issued by the New York Supreme Court, pending final determination of whether or not his registration should be revoked, which will be when he appears for a hearing or notice of such hearing is received by him, the Commission having been unable to contact him.

Gov.-Regulated, Financed Aviation Proposed In Bill To Be Considered by Congress

What is termed by its sponsors as the most far-reaching legislation ever conceived in the 40 years of American aeronautics is embodied in a proposal for Government-regulated and financed aviation drawn up in Congress for action in the Fall. The bill said the Associated Press, in Washington advices July 15 has been drafted in the House Interstate and Foreign Commerce Committee and copies are circulating among aviation interests for suggestions. The advices from which we quote, as given in the New York "Sun" also had the following to say:

"Its backers, thinking of air travel in the nation and along the international skyways believe their measure is necessary to keep the United States in step with the post-war world.

"The bill would transform the Civil Aeronautics Authority into the Civil Aeronautics Commission with a completely independent status and sweeping powers for the promotion, regulation and investigation of American aviation.

"The first job of the commission would be to make a complete investigation and to report to Congress on all phases of developments in air commerce and air navigation which may be anticipated for the post-war period.

It is the intention that Congress then would provide the cash whereby any deficiences and needs of the industry could be remedied.

The Commission would have authority to determine what are the interests of American sky lanes and where and how they will operate, along with the right to make payments to air carriers to enable them to promote the public interests. This applies to both domestic and international air transportation. On the domestic side such payments are scheduled to be for experimental purposes only, but in the international field they are unlimited, subject only to the amounts of funds Congress makes available.

"Airlines operating internationally would be required to extend their lines if the general interests of the United States so dictated. If the extension was not self-supporting, the Commission could make up the deficit.

"A permanent program for training civilian aviation personnel would be available to the nation in time of war.

"Air navigation facilities would be developed by co-operation with the States."

Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Chronicle for publication in this column.

NEW YORK, N. Y.—**Earl J. Roseberry** is now with **Amott, Baker & Co., Incorporated,** 150 Broadway.

NEW YORK, N. Y.—**Harold V. Maguire, Lewis Schifreen** and **Willis A. Snyder** have joined the sales staff of **R. M. Horner Co.,** 30 Broad Street.

(Special to The Financial Chronicle)

BLOOMINGTON, ILL.—**Joseph Janvier Wetzel** is now associated with **Slayton & Co., Inc.** Mr. Wetzel was formerly with Brailsford & Co., Dempsey-Detmer & Co. and Alfred O'Gara & Co.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **George R. Rice** is now connected with **Blyth & Co., Inc.,** 135 South La Salle Street. In the past Mr. Rice was with A. C. Allyn and Company and Lewis, Pickett & Co. for a number of years.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**Ralph D. Hollowell** has become affiliated with **The First Boston Corp.,** 231 South La Salle Street. Mr. Hollowell was previously with Daniel F. Rice & Co. and the White-Phillips Corporation.

(Special to The Financial Chronicle)

CHICAGO, ILL.—**William Conan Thornton** has joined the staff of **Ryan-Nichols & Co.,** 105 South La Salle Street.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Einar Graff** has become associated with **Shillinglaw, Crowder & Co., Inc.,** 120 South La Salle Street. Mr. Graff was formerly with the Internal Revenue Department.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **Frank C. Oglar** has been added to the staff of **Otis & Co.,** Terminal Tower.

(Special to The Financial Chronicle)

KANSAS CITY, MO. — **Earl Lytal** is now with **Goffe & Carkener, Inc.,** Board of Trade Building.

(Special to The Financial Chronicle)

QUINCY, ILL. — **Clarence F. Crossley,** formerly with the Sun Life Assurance Co. of Canada, has become connected with **Robert J. Phillips & Co.,** 141 West Jackson Boulevard, Chicago, Ill.

(Special to The Financial Chronicle)

CHICAGO, Ill.—**John D. Stillwell** has become associated with **Central Republic Company,** 209 South La Salle Street. Mr. Stillwell was formerly with F. S. Moseley & Co. for a number of years.

(Special to The Financial Chronicle)

CHICAGO, Ill.—**Frank N. Plain** is now affiliated with **Goodbody & Co.,** 105 West Adams Street. Mr. Plain was previously with Fahnestock & Co. and S. B. Chapin & Co.

(Special to The Financial Chronicle)

CHICAGO, Ill.— **J. P. Grime** has been added to the staff of **Kidder, Peabody & Co.,** 135 South La Salle Street.

(Special to The Financial Chronicle)

COLUMBUS, Ga.—**Ralph N. Bagley** is with **Merrill Lynch, Pierce, Fenner & Beane,** 101 Twelfth Street.

(Special to The Financial Chronicle)

KANSAS CITY, Mo.—**L. A. Elsea** has joined the staff of **Goffe & Carkener, Inc.,** Board of Trade Building.

(Special to The Financial Chronicle)

LOS ANGELES, Calif.—**Lee H. Wood** has become connected with **J. A. Hogle & Co.,** 507 West Sixth Street.

(Special to The Financial Chronicle)

OAKLAND, Calif.—**Lester H. Strong** has become affiliated with **John B. Knox & Co.,** Central Bank Building.

(Special to The Financial Chronicle)

PORTLAND, Ore.—**Lilian E. Newman** has been added to the staff of **Camp & Co., Inc.,** Porter Building.

(Special to The Financial Chronicle)

PORTLAND, Ore. — **Fred A. Lothrop** is now with **Conrad, Bruce & Co.,** 316 S. W. Sixth Avenue.

Treasury Still Opposed To Retail Sales Tax

Treasury officials said on July 14 that a national retail sales tax was not being considered as a part of any proposals the Administration may make to Congress for raising additional billions of wartime revenue.

These officials insisted the Department's stand in opposition to such a levy had not changed.

In reporting this, Associated Press Washington advices also stated:

"The Treasury's reassertion of its position came after Representative Gearhart (R., Cal.), in an interview, said he expected the Treasury to propose in September a 10% Federal retail sales tax and compulsory joint income-tax returns for married couples. Mr. Gearhart said he himself would oppose any movement toward a sales tax or compulsory joint returns.

"Chairman Doughton (D., N. C.), of the tax-framing House Ways and Means Committee, just before Congress adjourned for a summer vacation, said he would support a sales tax 'only as a last resort.'

"Treasury officials did not disclose today what position they might take on a proposition of compulsory joint returns for married couples, which would bring in more revenue.

"Mr. Gearhart said he never thought the Treasury was opposed 'finally and unalterably' to the sales tax. He predicted that in addition to this means of raisig revenue the Treasury would ask for increased income taxes for lower-bracket taxpayers, special excises on liquor and tobacco, a super 100% 'confiscatory' levy on all incomes over $25,000 after taxes, and new taxes on travel.

"Treasury and Congressional tax experts already have been instructed by the Ways and Means Committee to explore the feasibility of imposing the excess profits tax principle to individual incomes.

"Under such a tax, as now used against corporations, individuals with war-swollen incomes would pay a larger share of the war's cost.

"The Ways and Means Committee will meet on Sept. 8 to start the machinery rolling toward new and higher taxes."

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

Presley W. Edwards and John M. Woods, trustees under indenture of trust of June 30, 1943, became general partners in A. G. Edwards & Sons, St. Louis, on June 30th. Mr. Edwards was previously a limited partner in the firm as trustee under indenture of trust. Albert N. Edwards retired from limited partnership in the firm on the same date.

Interest of the late Louis S. Kerr in the firm of L. S. Kerr & Co., New York City, ceased as of July 8th.

Interest of the late Joseph P. Searing in Robert Winthrop & Co., New York City, ceased on June 30th.

Transfer of the Exchange membership of Charles C. Wright to Daniel F. Reeves will be considered on July 29. It is understood that Mr. Reeves will act as an individual floor broker.

John A. Clark, partner in Wood, Struthers & Co., died on July 13.

Albert S. Colburn, partner in Bell & Beckwith, died on July 7.

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—**Harry A. Bruce,** formerly with Blyth & Co., Inc., is now associated with **Mitchum, Tully & Co.,** 405 Montgomery Street.

New York Title - Series C-2
1st Mortgage Liquidating Certificates
Ratio of Liquidations to December 31, 1942,
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Complete descriptive circular will be sent upon request.
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Real Estate Securities

Department Store For Financial Section—Office Building Bonds Bear Watching

An important reason for the poor earnings of downtown New York office buildings has been the vacant stores some of the buildings have had to carry. For instance, the store at 61 Broadway, which has been vacant since before the war, was reported to have been the source of almost $100,000 per annum in income, and this rent has been entirely lost for the past few years.

These stores were originally planned for banking quarters or shipping offices. Consolidation of banks and the war has caused little appeal for this type of space.

However, a new class of tenancy is possible. We hear that John Wanamaker & Co. is opening a branch store at 150 Broadway, carrying merchandise for men and women.

The significance of this move can be very important if it becomes the forerunner of other department stores also locating branch stores in the financial section.

Among press comments on the John Wanamaker lease, the "Wall Street Journal" said:

"It might be followed by other merchants. It also suggests that other retailers recognize that conditions in lower Broadway business have changed definitely for the better . . ."

The "World-Telegram" said in part:

"Because store rentals in the financial district during the last ten years have sagged, both as to occupancy and rentable rates, the selection of a notable Broadway corner by a long-established department store is regarded as 'big news.' Market improvement in the business of the Stock Exchange, together with improved occupancy of the big office buildings in the financial sector has caused a great increase in pedestrian traffic along Broadway between Fulton and Wall Streets. This, it is said, was a factor that prompted the department store to select this busy corner at a rental known to be attractive."

The first mortgage bonds of 165 Broadway and 61 Broadway might bear watching. Both buildings have large stores vacant that should appeal to other department stores.

Park Central Hotel

A Fountain of Interest Payments

It was only recently that we called attention to the 870 7th Avenue General Mortgage Bonds, which are the securities issued on the Park Central Hotel. As a matter of fact, it was on May 13th, 1943.

Since that time the bonds paid 4½% interest on May 18th; 2¼% on July 1st and we have now been informed that on August 1st a special payment of 1¼% will be made. This payment is on account of 5½ points accrued interest due on each bond.

Based on fixed interest requirements, bonds are currently selling at slightly less than a 10% basis. Of course, the yield would be higher if effect of extra payments on account of accrued interest is taken into consideration.

NY Security Dealers Ass'n Elect To Membership

At a meeting of the Board of Governors of the New York Security Dealers Association J. Jay Schwadron, Burke & Co., Frank Yale Cannon, Syle and Company, and John H. Valentine, John H. Valentine Co., were elected to membership in the Association.

Interesting Possibilities

Chicago and Southern Airlines warrants offer a most attractive situation at current levels, according to an interesting circular being distributed by Luckhurst & Co., 60 Broad Street, New York City. Copies of this circular may be had from the firm upon request.

Mid-Year Bank Figures Study Now Available

Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange, have prepared an interesting analysis of bank stocks revised to include the mid-year figures. Copies of this analysis may be had from the firm upon request.

TRADING MARKETS IN
REAL ESTATE
SECURITIES
★ ★ ★
SHASKAN & CO.
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40 EXCHANGE PL., N.Y. Digby 4-4950
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Active Markets
N.Y. Title & Mtge. BK C2 F1
Prudence Collaterals Series A-18
and all other
TITLE CO. CERTIFICATES & MTGS.
SIEGEL & CO.
39 Broadway, N. Y. 6 Digby 4-2370
Bell System Teletype 1-1942

Calendar of New Security Flotations

OFFERINGS

CONSOLIDATED CIGAR CORPORATION

Consolidated Cigar Corporation has filed a registration statement for $7,000,000 ten year 3¼% sinking fund debentures to be dated July 1, 1943.

Address—444 Madison Avenue, New York City.

Business—Corporation and its subsidiaries are engaged in the business of manufacturing and selling cigars.

Underwriting—Eastman, Dillon & Co., New York is named principal underwriter. Others will be supplied by amendment.

Offering—Price to public will be supplied by amendment.

Proceeds—Net proceeds will be used to the payment of $1,000,000 face amount of notes payable to Bank of The Manhattan Company; $938,130 to redemption on or before Sept. 1, 1943, of outstanding 10-year 4% notes due July 1, 1950; $3,150,000 to redemption on or before Sept. 1, 1943, of 30,000 shares of its outstanding 6½% cumulative prior preferred stock at $105 per share, and $2,303,290 to redemption on or before Sept. 1, 1943, of its 20,939 outstanding shares of 7% cumulative preferred stock at $110 per share. Figures are exclusive of accrued interest and accrued dividends which will be paid out of corporation's general funds.

Registration Statement No. 2-5171. Form S-1. (6-29-43).

Registration statement effective 4 p.m. EWT. on July 15, 1943.

Offered July 16, 1943, at 101 and int. by Eastman, Dillon & Co.; Kidder Peabody & Co.; The First Boston Corp.; Blyth & Co., Inc.; Lehman Brothers; E. H. Rollins & Sons, Inc., and Ritter & Co.

JACOB RUPPERT

Jacob Ruppert, a corporation, has filed a registration statement for $2,744,000 5% sinking fund debentures, due July 1, 1950.

Address—1639 Third Avenue, New York City.

Business—Engaged in the business of brewing and selling fermented malt liquors. Its principal product is lager beer sold under the name of "Ruppert."

Underwriting—First Boston Corp. of New York is principal underwriter. Names of other underwriters will be named by amendment.

Offering—Price to the public will be supplied by amendment. The securities are now outstanding and will be sold by six holders as follows: Estate of Jacob Ruppert, George E. Ruppert, Amanda E. Silleck, Manufacturers Trust Co., J. Ruppert Schalk and Anna C. A. Dunn. The company has now outstanding $2,996,000 face amount of 10-year 5% debentures, due July 1, 1950. It is proposed to modify the debentures without, however, extending the date of maturity or changing the interest rate thereof, changing the designation to 5% sinking fund debentures and providing other covenants. $252,000 face amount of the debentures, as modified, are to be retained by the holders.

Proceeds—The company is not directly to receive any of the proceeds from the sale of the securities. George E. Ruppert and Amanda E. Silleck have each agreed to apply the proceeds to be received by them, to the extent necessary, to repayment in full of their respective debts to the company, aggregating $766,229 face amount, plus interest from July 1, 1943, ($876,291 principal and interest at March 31, 1943.) The company proposes to add the proceeds so received to its general corporate funds.

Registration Statement No. 2-5161. Form A-2. (6-25-43).

Registration statement effective 5:30 p.m. EWT. on July 14, 1943.

Offered July 14, 1943, at 104¼ and int. by The First Boston Corp.; Blyth & Co., Inc.; Eastman, Dillon & Co., and Granbery, Marache & Lord.

TWENTIETH CENTURY-FOX FILM CORPORATION

Twentieth-Century-Fox Film Corporation has filed a registration statement for 665,715 shares of preferred stock, $1.50 dividend cumulative, convertible, without par value. The shares are already issued and outstanding.

Address—444 West 56th Street, New York City.

Business—Corporation and its subsidiaries are engaged principally in the production and distribution of motion pictures of all kinds, including features, short subjects and newsreels, in various parts of the world, but primarily in the United States.

Underwriting—The shares of preferred stock registered are outstanding shares owned by the Chase National Bank of the City of New York. The names of the several underwriters who will purchase the shares will be supplied by amendment, together with the amounts to be purchased by each. The purchase agreement and price to be paid for the stock also will be covered by amendment.

Offering—Offering price to the public will be supplied by amendment.

Proceeds—Proceeds will go to the selling stockholder. The corporation will not receive any proceeds from the sale of the stock.

Registration Statement No. 2-5160. Form A-2. (6-25-43).

In an amendment to its registration statement corporation gives the names of a nation-wide group of investment houses formed to purchase the 665,715 shares of Twentieth Century-Fox Film preferred stock, $1.50 dividend cumulative, convertible, without par value, from the Chase National Bank of the City of New York. Twentieth Century thus will not receive any proceeds from sale of any of the shares of preferred stock registered which will go to the selling stockholder.

The purchasers and number of shares to be purchased follow: Lehman Brothers, 35,000; Blyth & Co., Inc., 35,000; Adamex Securities Corp., 4,000; A. C. Allyn & Co., Inc., 8,000; Ames, Emerich & Co., Inc., 2,000; Arnhold & S. Bleichroeder, Inc., 2,000; Auchincloss, Parker & Redpath 4,000; J. S. Bache & Co., 3,000; Bacon, Whipple & Co., 4,000; Baker, Weeks & Harden, 6,000; Bankamerica Company, 6,000; Bateman, Eichler & Co., 2,000; Bear, Stearns & Co., 3,000; A. G. Becker & Co., Inc., 8,000; Biddle, Whelen & Co., 2,000; Blair & Co., Inc., 6,000; Boettcher & Co., 2,000; George D. B. Bonbright & Co., 2,000; Bosworth, Chanute, Loughridge & Co., 2,000; J. C. Bradford & Co., 2,000; Brush, Slocumb & Co., 3,000; H. M. Byllesby & Co., Inc., 4,000; Frank B. Cahn & Co., 2,000; Central Republic Co., Inc., 8,000; E. W. Clark & Co., 3,000; Richard W. Clarke & Co., 2,000; Curtiss, House & Co., $1,000; Paul H. Davis & Co., 3,000; Davis, Skaggs & Co., 1,000; Dempsey-Detmer & Co., 2,000; R. S. Dickson & Co., Inc., 3,000; Dominick & Dominick, 6,000; Doolittle, Schoellkopf & Co., 2,000; Nelson, Douglass & Co., 1,000; Drexel & Co., 8,000; Eastman, Dillon & Co., 12,000; Elworthy & Co., 2,000; Emanuel & Co., 2,000; Equitable Securities Corp., 3,000; Estabrook & Co., 6,000; Fahey, Clark & Co., 1,000; Farwell, Chapman & Co., 2,000; First of Michigan Corp., 2,000; Glore, Forgan & Co., 12,000; Goldman, Sachs & Co., 12,000; Granbery, Marache & Lord, 2,000; Hallgarten & Co., 12,000; Hamlin & Lunt, 1,000; Harriman Ripley & Co., Inc., 12,000; Ira Haupt & Co., 2,000; Hayden, Miller & Co., 4,000; Hayden, Stone & Co., 20,000; Hemphill, Noyes & Co., 12,000; Hill, Richards & Co., 2,000; J. J. B. Hilliard & Son, 1,000; Hornblower & Weeks, 12,000; Janney & Co., 2,000; Johnston, Lemon & Co., 3,000; Kalman & Co., Inc., 2,000; Kebbon, McCormick & Co., 4,000; A. M. Kidder & Co., 3,000; Kidder, Peabody & Co., 12,000; Kuhn, Loeb & Co., 22,715; Ladenburg, Thalmann & Co., 8,000; Laird, Bissell & Meeds, 3,000; W. C. Langley & Co., 4,000; Lazard Freres & Co., 12,000; Lee Higginson Corp., 8,000; Carl M. Loeb, Rhoades & Co., 6,000; Loewi & Co., 1,000; Laurence M. Marks & Co., 8,000; A. E. Masten & Co., 3,000; McDonald-Coolidge & Co., 4,000; Merrill Lynch, Pierce, Fenner & Beane, 8,000; Merrill, Turben & Co., 3,000; Milwaukee Co., 3,000; Moore, Leonard & Lynch, 1,000; F. S. Moseley & Co., 5,000; Maynard H. Murch & Co., 3,000; Newhard, Cook & Co., 3,000; Ohio Company, 2,000; Otis Company, 3,000; Pacific Company of California, 1,000; Paine, Webber, Jackson & Curtis, 8,000; Piper, Jaffray & Hopwood, 2,000; Reynolds & Co., 8,000; Riter & Co., 6,000; Robinson-Humphrey Co., 1,000; Robinson, Rohrbaugh & Lukens, 1,000; E. H. Rollins & Sons, Inc., 8,000; L. F. Rothschild & Co., 6,000; Schoellkopf, Hutton & Pomeroy, Inc., 4,000; Schwabacher & Co., 8,000; Scott & Stringfellow, 3,000; Chas. W. Scranton & Co., 2,000; Sheridan, Bogan & Co., 1,000; Shields & Co., 8,000; Shuman, Agnew & Co., 2,000; I. M. Simon & Co., 1,000; Singer, Deane & Scribner, 1,000; Smith, Barney & Co., 12,000; Wm. R. Staats Co., 3,000; Starkweather & Co., 3,000; Stein Bros. & Boyce, 3,000; Stix & Co., 2,000; Stone & Webster and Blodget, 12,000; Stroud & Co., Inc., 4,000; Sutro & Co., 3,000; Swiss American Corp., 2,000; Spencer Trask & Co., 6,000; Tucker, Anthony & Co., 8,000; Union Securities Corp., 20,000; Van Alstyne & Co., 2,000; Vietor, Common, Dann & Co., 4,000; G. H. Walker & Co., 6,000; Watling, Lerchen & Co., 2,000; Wertheim & Co., 12,000; Westheimer & Co., 1,000; White, Weld & Co., 20,000; Whiting, Weeks & Stubbs, Inc., 4,000; Wisconsin Company, 6,000, and Yarnall & Co., 2,000.

Registration Statement effective 4:30 p.m., EWT. on July 17 as of 5:30 p.m. EWT. July 14.

Offered July 19, 1943 at $33.50 per share by syndicate headed by Lehman Brothers and Blyth & Co., Inc.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing (unless accelerated at the discretion of the SEC), except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930 (b).

Offerings will rarely be made before the day following.

TUESDAY, JULY 27

NORTHERN INDIANA PUBLIC SERVICE CO.

Northern Indiana Public Service Co. has filed a registration statement for $45,000,000 first mortgage bonds, Series C dated Aug. 1, 1943, due Aug. 1, 1973. Interest rate will be supplied by amendment.

Address—5265 Hohman Avenue, Hammond, Ind.

Business—Public utility operating company engaged principally in the production, manufacture, purchase, supply, transmission, distribution and sale of electrical energy, gas and water.

Underwriting—Company will offer the bonds for sale under the competitive bidding rule of the Commission. Names of underwriters will be supplied by post-effective amendment.

Offering—Price to be supplied by post-effective amendment.

Proceeds—Proceeds from sale of Series C bonds, exclusive of accrued interest, will be applied, together with other necessary funds of the company, for the redemption of $45,000,000 face amount of 3¾% bonds, Series A, due Aug. 1, 1969, at 106¼% of the face amount or $47,812,500. Interest to the date of redemption on the bonds to be redeemed, plus expenses of the company will be paid out of other funds of the company.

Registration Statement No. 2-5178. Form S-1. (7-8-1943).

THURSDAY, JULY 29

FANSTEEL METALLURGICAL CORP.

Fansteel Metallurgical Corp. has filed a registration statement for 53,566 shares of common stock, without par value.

Address—North Chicago, Ill.

Business—Business of the company and its subsidiaries consists of the development and refinement of rare metals and the production and fabrication of rare metal compounds, alloys and commercial products.

Underwriting — Hallgarten & Co. is named principal underwriter. Others will be supplied by amendment.

Offering—Price to the public will be supplied by amendment.

Proceeds—Net proceeds from sale of common stock will be added to the working capital of the company and will be used for general corporate purposes. Five dollars per share of the net proceeds will be allocated to capital and the balance will be allocated to capital surplus.

Registration Statement No. 2-5179. Form S-1. (7-10-43).

SUNDAY, AUG. 1

CELOTEX CORPORATION

Celotex Corporation has filed a registration statement for $3,000,000 12-year 3¾% debentures due July 1, 1955.

Address—120 South La Salle Street, Chicago.

Business—Engaged in the building material business, principal products it sells being rigid insulation, acoustical, gypsum, roofing and hardboard products.

Underwriting—Paul H. Davis & Co., Chicago, is named principal underwriter.

Offering—Price to the public will be supplied by amendment.

Proceeds—Net proceeds, together with other funds of the company, will be used to redeem the company's outstanding 10-year 4½% debentures, due Feb. 1, 1947.

Registration Statement No. 2-5180. Form S-1. (7-13-43).

WEDNESDAY, AUG. 4

UNITED DRUG COMPANY

United Drug Company has filed a registration statement for $20,000,000 15-year sinking fund debentures due 1958 and 100,000 shares of cumulative preferred stock, par value $100 per share. Interest rate on debentures and dividend rate on preferred stock will be supplied by amendment.

Address — 43-63 Leon Street, Boston, Mass.

Business—Principal businesses in which company and its subsidiaries are engaged are two-fold: Manufacture of drugs, pharmaceuticals, toilet articles, food and chocolate products, rubber articles and other products used in or sold by drug stores and distribution of such products, and secondly the operation, by subsidiaries of retail drug stores.

Underwriting — Smith, Barney & Co., New York, heads the group of underwriters. Others will be supplied by amendment.

Offering—Price to public will be supplied by amendment.

Proceeds—Proceeds will be applied by company together with other funds to the redemption of $30,243,200 face amount of the company's 25-year 5% bonds due March 15, 1953, presently outstanding in the hands of the public, at 103% of face amount plus accrued interest. Such redemption will require $31,150,496 plus accrued interest, which to Sept. 15, 1943, will amount to $756,080.

Registration Statement No. 2-5182. Form S-1. (7-16-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

ARDEN FARMS CO.

Arden Farms Co. has filed a registration statement for 26,000 shares of preferred stock, without par value.

Address—1900 West Slauson Avenue, Los Angeles, Cal.

buying and selling of ice cream, the processing of milk, and the general business of buying and selling milk, butter, cottage cheese, eggs and various related products at wholesale and retail in the States of Washington, Oregon and California.

Underwriting—There are no underwriters. Company proposes through certain of its employees and through security dealers to solicit the exercise of option warrants, and the company proposes to pay the expenses of such employees in connection with such solicitation. If all such shares are not sold company will reimburse security dealers for their out-of-pocket expenses. If all such shares are sold the company will instead pay such dealers $1 for each share sold through the exercise of warrants procured by such dealer.

Offering—Company has granted to holders of its preferred stock, rights to subscribe for shares of preferred stock now being registered at the rate of one share for each 2½ shares held. Subscription price will be filed by amendment. After the expiration of the warrants the company proposes to sell such of the shares of preferred as are not subscribed through the exercise of warrants, to the public at such price as may be fixed by the board

Proceeds—Net proceeds will be applied to the prepayment, so far as they suffice, of the company's notes outstanding in the principal amount of $1,050,000.

Registration Statement No. 2-5166. Form S-1. (6-29-43).

Amendment filed July 15, 1943, to defer effective date.

BURTONITE CORPORATION

Burtonite Corporation has filed a registration statement for 10,000 shares of 7% preferred stock and 15,000 shares of common, no par.

Address—2500-22 Fisher Street, Fort Worth, Texas.

Business—Manufacture of face brick.

Offering—Present offering consists of 2,000 units, each unit consists of four shares preferred and one share common, price per unit is $10.

Underwriting—None. Distribution is to be made by direct sales by the corporation of its treasury stock.

Proceeds—Expansion of plant facilities, installation of additional equipment and for working capital.

Registration Statement No. 2-5105. Form S-2 (3-5-43).

CALIFORNIA ELECTRIC POWER CO.

California Electric Power Co. has registered $16,000,000 first mortgage bonds, 3¾% Series due 1968, and 40,000 shares 5¼% convertible prior preferred stock, par value $100 per share.

Address—3771 Eighth Street, Riverside, Cal.

Business—Engaged in the generation, transmission, distribution and sale of electric energy.

Underwriting—Principal underwriter for the bonds is Dillon, Read & Co., New York, and for the preferred stock Stone & Webster and Blodget, Inc., and Bosworth, Chanute, Loughridge & Co., Denver. Other underwriters will be named by amendment.

Offering—Price of both bonds and prior preferred stock will be supplied by amendment.

Proceeds—Proceeds, together with funds received by the company from the sale of certain of its electric properties, will be used to redeeem all of the first trust mortgage gold bonds, 5% series of 1956 to be outstanding after giving effect to the surrender of certain bonds in the face amount of $641,300. Balance of proceeds will be used to pay the balance then due on the 3% installment note held by Bank of America National Trust & Savings Association. Upon the payment of such note, $641,000 face amount of the company's first mortgage trust gold bonds pledged by the company as security for such note will be surrended for cancellation.

Registration Statement No. 2-5172. Form S-1. (6-29-43).

Amendment filed July 15, 1943, to defer effective date.

CELOTEX CORPORATION

Bror Dahlberg, O. S. Mansell and Andrew J. Dallstream, voting trustees, have filed a registration statement for voting trust certificates for 150,000 shares of common stock of Celotex Corp. common stock, no par value.

Offering—(See Celotex statement No. 2-5112.) The syndicate has formed the voting trust for the common stock of the company, and an opportunity will be afforded to the members of the syndicate (mentioned in statement No. 2-5112) and to all others who purchase such stock, to deposit their shares of common stock thereunder and receive voting trust certificates. Additional shares of common may be deposited upon application of the holder and with the consent of the voting trustees, but voting trust certificates are not to exceed 150,000 shares of common stock.

Purpose—To form voting trust.

Registration Statement No. 2-5113. Form F-1 (3-24-43).

Registration statement effective 11:15 a.m. EWT. on July 9, 1943.

CELOTEX CORPORATION

Celotex Corp. has filed a registration statement for 75,000 shares of common stock, no par value.

Address—120 South La Salle Street, Chicago, Ill.

Business—Company is engaged in the building material business.

Underwriting—There are no underwriters.

Offering—The 75,000 shares of common will be offered by the company at $10.50 per share only to a selected group consisting of employees of the company, including officers and directors and those serving in a professional or advisory capacity and a limited group of persons having long standing business relations with the company to be selected by the board of directors. Statement says that recently, while the company was carrying on negotiations to augment its working capital by the issuance and sale of common stock, a substantial group of key employees of the company including certain officers and directors, joined in the formation of a syndicate with a view to the purchase of a large block of outstanding common stock from a single source which had indicated a willingness to sell. When reasons arose whereby the proposed purchase could not be carried out, the group acting through the syndicate requested the company to afford the syndicate members, as well as other employees, the opportunity to purchase the stock of the company then proposed to issue, at a price to net the company the same amount as though such stock were marketed through then available investment banking channels. The board determined that the stock to be sold should be offered to the selected group at a price of $10.50 per share. The syndicate has formed a voting trust for the common stock of the company.

Proceeds—Entire proceeds from the sale will be received by the company and used for additional working capital and for other corporate purposes.

Registration Statement No. 2-5112. Form A-2 (3-24-43).

Registration statement effective 11:15 a.m. EWT. on July 9, 1943.

COMMUNITY PUBLIC SERVICE CO.

Community Public Service Co. has filed a registration statement for $6,850,000 first mortgage bonds, 3⅜% series due 1973.

Address—408 West Seventh Street, Fort Worth, Texas.

Business — Engaged primarily in the manufacture and purchase, distribution and sale of electricity and ice, purchase, production, distribution and sale of natural gas, and production, distribution and sale of water.

Offering—Price to public will be supplied by amendment.

Underwriting—Central Republic Co., Inc., Chicago, is named principal underwriter. Others will be supplied by amendment.

Proceeds—Proceeds from sale of the bonds, together with other funds of the company, will be used to redeem its outstanding first mortgage bonds which will require, exclusive of accrued interest, $7,202,700. This first mortgage bonds comprise $6,454,000 face amount of 4% series due 1964 redeemable at 105, plus accrued interest from March 1, 1943, to date of redemption, and $400,000 face amount of 4% bonds, second series due 1964, redeemable at 106½ plus accrued interest from March 1, 1943, to date of redemption.

Registration Statement No. 2-5159. Form S-1. (6-24-43).

Registration statement withdrawn July 13, 1943.

CROWLEY, MILNER & CO.

Crowley, Milner & Co. have filed a registration statement for certificates of deposit for $996,500 5½% sinking fund debentures, due 1946.

Address—Monroe Avenue and Farmer Street, Detroit, Mich.

Business—Character of business done by original issuer is a department store and general mercantile business, at retail.

Underwriting—Company has engaged the services of H. M. Preston & Co., Chicago, as its readjustment manager.

Offering—Call for deposit of bonds under plan of debenture adjustment.

Purpose—Purpose of requesting deposits is to ask depositors to consent to an extension of the maturity date of the authorized 5½% debentures from May 1, 1946, to Oct. 31, 1952 and various modifications of the indenture. See Registration Statement No. 2-5176.

Registration Statement No. 2-5175. Form D-1. (7-5-43).

CROWLEY, MILNER & CO.

Crowley, Milner & Co. have filed a registration statement for $996,500 5½% sinking fund debentures as extended to 1952 and $1,245,600 4% debentures due 1962.

Address—Monroe Avenue and Farmer Street, Detroit, Mich.

Business—Department store and general mercantile business, at retail.

Purpose—Company proposes a plan of debenture adjustment and a plan of capital stock readjustment. The 5½% debentures as extended to 1952 are to be issued through certificates of deposit to holders of old 5½% sinking fund debentures due 1946 under plan of debenture adjustment, extending maturity date and modifying indenture provisions. The 4% debentures will be issued in exchange for 31,140 shares of $50 par prior preference stock on basis of $40 face amount of debentures plus $10 in cash for one share of stock under plan of capital stock readjustment.

Registration Statement No. 2-5176. Form S-1. (6-30-1943).

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage Bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed July 1, 1943, to defer effective date.

IOWA POWER & LIGHT CO.

Iowa Power & Light Co. has filed a registration statement for $17,000,000 first mortgage bonds, 3¼% series due June 1, 1973.

Address—312 Sixth Avenue, Des Moines, Iowa.

Business—Is a public utility engaged in the business of furnishing electric service in Polk County, outside the City of Des Moines and environs, and in 12 contiguous counties in Central Iowa, and furnishing gas service in the City of Des Moines and environs, and in two municipalities in adjoining counties.

Underwriting—Bonds are to be offered for sale at competitive bidding under the rules of the Commission. Names of the underwriters will be supplied by post effective amendment.

Offering—Price to the public will be supplied by amendment.

Proceeds—Bonds are to be issued as part of a series of interdependent transactions which include the acquisition by Continental Gas & Electric Co. of Iowa Power & Light Co. and Des Moines Electric Light Co. from Illinois Iowa Power Co. Proceeds from the sale of the bonds, together with a portion of funds to be received from bank loans aggregating $2,500,000, will be used to redeem on Sept. 1, 1943, a total of $11,232,000 face amount of the company's first mortgage bonds; to redeem on Oct. 1, 1943, 10,133 shares par $100 of the company's 7% cumulative preferred stock; to the purchase from Illinois Iowa Power Co. of $1,750,000 face amount of general refunding mortgage bonds, Series A, due 1955, and $3,000,000 of open account indebtedness of Des Moines Electric Light Co., $4,750,000; to partial payment for Iowa properties of Iowa-Nebraska Light & Power Co., $1,000,000 and for other corporate purposes.

Registration Statement No. 2-5138. Form S-1. (5-12-43).

Amendment filed June 16, 1943, to defer effective date.

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 100,000 shares of full certificates of participation, Keystone Custodian Fund, Series "B-2".

Address—50 Congress Street, Boston.

Business—Investment trust.

Underwriting — Keystone Custodian Funds, Inc., is named sponsor.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5167. Form C-1. (6-29-43).

Amendment filed July 13, 1943, to defer effective date.

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 100,000 shares full certificates of participation, Keystone Custodian Fund, Series "K-2".

Address—50 Congress Street, Boston.

Business—Investment trust.

Underwriting — Keystone Custodian Funds, Inc., sponsor.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5168. Form C-1. (6-29-43).

Amendment filed July 13, 1943, to defer effective date.

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 25,000 shares, full certificates of participation, Keystone Custodian Fund, Series "S-1".

Address—50 Congress Street, Boston.

Business—Investment trusst.

Underwriting — Keystone Custodian Funds, Inc., sponsor.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5169. Form C-1. (6-29-43).

Amendment filed July 13, 1943, to defer effective date.

KEYSTONE CUSTODIAN FUNDS, INC.

Keystone Custodian Funds, Inc., has filed a registration statement for 500,000 shares of full certificates of participation, Keystone Custodian Fund, Series "S-2".

Address—50 Congress Street, Boston.

Business—Investment trust.

Underwriting — Keystone Custodian Funds, Inc., sponsor.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5170. Form C-1. (6-29-43).

Amendment filed July 13, 1943, to defer effective date.

METALES DE LA VICTORIA, S. A.

Metales de la Victoria, S. A. has filed a registration statement for 1,000,000 common shares and production notes in the aggregate sum of $500,000, lawful money of the United States of America.

Address—406 Valley National Building, Tucson, Ariz.

Business—Organized under the laws of Mexico on Oct. 23, 1942, for the purpose of engaging in the business of acquiring, exploring, developing and operating mining properties in Mexico, and the milling and marketing of ores and concentrates therefrom.

Underwriting—Offering will be made direct to the public by the company, and to brokers and dealers for their own accounts or as selling agents of the company.

Offering—Offering consists of 50,000 units, a unit consisting of a production note in the face amount of $10 and 20 shares of common stock, price per unit $10, lawful money of the United States of America.

Proceeds—For development, purchase of equipment, etc.

Registration Statement No. 2-5151. Form S-3 (6-11-43).

Amendment filed July 16, 1943, to defer effective date.

NATIONAL SECURITIES & RESEARCH CORPORATION

National Securities & Research Corporation has filed a registration statement for 40,716 shares in First Mutual Trust Fund.

Address—120 Broadway, New York City.

Business—Investment trust.

Underwriter—National Securities & Research Corporation, sponsor.

Offering—Will be continuous and the offering price will vary with the value of a share, which value in turn will vary with the value of the underlying securities in the trust fund.

Proceeds—For investment.

Registration Statement No. 2-5163. Form C-1. (6-28-43).

Amendment filed July 16, 1943, to defer effective date.

NATIONAL SECURITIES & RESEARCH CORPORATION

National Securities & Research Corporation has filed a registration statement for 16,631 shares of National Securities Series.

Address—120 Broadway, New York City.

Business—Investment trust.

Offering—Effective date of registration statement.

Proceeds—For investment.

Registration Statement No. 2-5164. Form C-1. (6-28-43).

Amendment filed July 16, 1943, to defer effective date.

OIL VENTURES CORPORATION

Oil Ventures Corporation has registered 3,000 shares of Class A capital stock, without par value, fully paid and non-assessable.

Address—19-21 Dover Green, Dover, Del.

Business—Organized under the laws of Delaware on April 27, 1943, for the purpose of engaging either alone or with others in any phase of the oil business.

Offering—Price to the public is $100 per share.

Underwriting—Tellier & Co., New York, is principal underwriter.

Proceeds—To be applied and used for any of the proper corporate purposes as its board of directors may determine. Statement says it is the purpose and objective of the management to be free at all times to take advantage of any condition or set of circumstances which, in its opinion, offers opportunity for profit to the corporation.

Registration Statement No. 2-5155. Form S-2. (6-18-43).

Registration statement effective but apparently defective 5:30 p.m. EWT. on July 15, 1943.

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address — Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

Amendment filed June 28, 1943, to defer effective date.

RIVERSIDE MILLS

Riverside Mills has registered $639,000 5½% first mortgage bonds, dated Feb. 15, 1943, due Feb. 15, 1963.

Address—Augusta, Ga.

Business—Company devotes its activity almost entirely to cotton textile by-products or waste.

Underwriting—No formal underwriting agreement has been entered into covering the exchange offered.

Offering—Under a plan of reorganization Riverside Mills offers to the holders of its preferred stock in exchange therefor $120 par value in first mortgage 5½% bonds, plus $2.625 in cash for each share of its preferred stock, provided that 75% in amount of the issued and outstanding preferred stock accept the same and tender their stock in exchange on or before Sept. 1, 1943, but time may be extended by the board. The bonds of this issue shall only be exchanged for preferred stock or sold to raise money to purchase and retire preferred stock or to reimburse the company for preferred stock which it may purchase before plan becomes effective, and which it does not retire and shall not be disposed of for any other purpose. Should company acquire an amount of bonds not exceeding $120,000 through the exchange of preferred stock purchased by it, Johnson, Lane, Space & Co., Inc. has agreed to buy any such bonds which Riverside Mills desires to sell at not less than $83.50 per $100 par value and accrued interest.

Purpose—For reorganizaztion.

Registration Statement No. 2-5165. Form S-1. (6-28-43).

Amendment filed July 13, 1943, to defer effective date.

SIXTY SEVEN HOLDING COMPANY

Sixty Seven Holding Company has registered 3,412 shares of preferred stock, $100 par value, to be authorized.

Address — Bankers Securities Building, Philadelphia, Pa.

Business — Owns and operates a ten-story brick and stone apartment house located at 67 South Munn Avenue, East Orange, N. J.

Offering — The perferred stock being registered is to be offered otherwise than for cash. It is to be distributed to holders of the unsubordinated bonds presently secured by the first mortgage on the property of the registrant at 67 South Munn Avenue, East Orange, N. J., at the rate of four shares of $100 value each, in addition to $600 in cash, in consideration for the surrender for cancellation of each $1,000 face value of such bonds.

Registration Statement No. 2-5144. Form S-1 (5-21-43).

Registration statement effective 3:30 p.m. EWT. on July 9, 1943, as of 5:30 p.m. EWT. July 5, 1943.

SOUTH CAROLINA ELECTRIC & GAS CO.

South Carolina Electric & Gas Co. has filed a registration statement for $20,000,000 first mortgage bonds, series due 1973. Interest rate will be supplied by amendment.

Address—328 Main Street, Columbia, S. C.

Business—Is a public utility operating in South Carolina.

Underwriting—Bonds will be offered for sale at competitive bidding. Names of underwriters will be supplied by amendment.

Offering—Price to public will be supplied by amendment.

Proceeds—Will be applied principally to the redemption at 102¾ of the face amount of $8,361,500 of Broad River Power Co. first and refunding mortgage gold bonds, series A, due Sept. 1, 1954; to the redemption at 105 of the face amount of $1,359,000 of Parr Shoals Power Co. first mortgage 5% sinking fund gold bonds, due April 1, 1952, and to the redemption at 105 of the face amount of $10,213,300 of Lexington Water Power Co. first mortgage 5% gold bonds, series due 1968.

Registration Statement No. 2-5162. Form A-2. (6-25-43).

Registration statement effective 5:15 p.m., EWT. on July 16, 1943.

Bids Invited—Company is inviting bids for the purchase from it of $20,000,000 1st mtge. bonds due 1973; all bids must be presented to the company (Room 2601) 61 Broadway, New York City before 12 o'clock noon, EWT., July 26. Bidders will name the coupon rate.

STATE BOND & MORTGAGE CO.

State Bond & Mortgage Co. has filed a registration statement for investment certificates, Series 1203, in the amount of $500,000.

Address—26½ North Minnesota Street, New Ulm, Minn.

Business—Investment company.

Offering—At 100.

Underwriting—No underwriter named.

Proceeds—For investment.

Registration Statement No. 2-5174. Form A-2. (6-30-1943).

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.3 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2 (3-30-40)

Amendment filed July 15, 1943, to defer effective date.

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the best possible price."

Amendment filed July 7, 1943, to defer effective date.

UNITED WHOLESALE DRUGGISTS OF FORTH WORTH, INC.

United Wholesale Druggists of Forth Worth, Inc., has filed a registration statement for 5,000 shares of common stock, no par value.

Address—100 West Tenth Street, Wilmington, Del.

Business—Company is a new corporation organized March 25, 1943. It will engage in the business of selling drug store merchandise, other than that manufactured by United Drug Co. to its stockholders who will be the distributors of products of United Drug Co. While the corporation is being sponsored by United Drug Co., no control over its operations will be exercised by that company.

Offering—Common stock will be offered to retail druggists at $50 per share.

Underwriting — No underwriters are named.

Proceeds—Proceeds from sale of common stock will furnish to the company both operating capital and security.

Registration Statement No. 2-5157. Form A-2. (6-19-43).

Registration statement effective 5:30 p.m. EWT. on July 16, 1943.

UTAH POWER & LIGHT CO.

Utah Power & Light Co. has filed a registration statement for $37,000,000 first mortgage bonds, Series due 1973. Interest rate will be supplied by amendment.

Address — Kearns Building, Salt Lake City, Utah.

Business—Is a public utility operating in southeastern Idaho, northern and central Utah and southwestern Wyoming.

Underwriting—The bonds will be offered for sale by the company pursuant to the competitive bidding rule of the Commission. Names of underwriters will be supplied by amendment.

Offering—Offering price to the public will be supplied by amendment.

Proceeds—Net proceeds, together with $2,500,000 to be received from Northwestern Mutual Life Insurance Co. from issue and sale of $3,500,000 face amount of general mortgage serial bonds of Utah, due serially 1949-1953; $3,500,000 to be received from issue and sale to certain banks of $3,500,000 face amount of serial notes, and such amount, if any, of general funds of the company, will be used for the following purposes:

To pay principal and interest to maturity, as the case may be, on Utah company's 30-year first mortgage 5% gold bonds due 1944, of which $28,119,000 face amount were outstanding at March 31, 1943.

To pay Utah Company's first lien and general mortgage gold bonds, Series of "4½s of 1944", of which $4,068,000 face amount were outstanding at March 31, 1943.

To pay Utah Light & Traction Co.'s 30-year first and refunding mortgage gold bonds, Series A, 5%, of which $11,813,000 face amount were outstanding at March 31, 1943, these bonds having been guaranteed as to principal and interest by the Utah Company.

Registration Statement No. 2-5173. Form A-2. (6-30-43).

12 Federal Home Loan Banks Report Income Of $1,899,682 For Six Months Of 1943

The net income of the 12 Federal Home Loan Banks for the six-months period ended June 30, 1943 aggregated $1,899,682, of which 20% was transferred to the Banks' legal reserves as required by law, according to a statement issued by Everett Smith, financial representative of the banks. Dividends for the same period were declared by the banks in the total amount of $832,199. The balance of $1,067,483 and prior period adjustments totaling $265,361 represent the net increment to the surplus and undivided profits accounts of the banks, Mr. Smith pointed out.

Regarding the banks' financial condition, Mr. Smith's statement said:

"Advances outstanding on June 30, 1943 amounted to $90,191,577 of which $46,230,150 represented short term advances which mature within one year, while the balance of $43,961,427 represented long term advances which mature up to ten years, and on which installments of approximately $5,622,891 are due within one year. Under the rules and regulations for the Federal Home Loan Bank System, Federal Home Loan Bank advances made for one year or less need not be amortized, but when made for more than one year and up to ten years, such advances are required to be amortized on a monthly or quarterly basis. Of the total advances outstanding on June 30, 1943, $63,241,270 were on a secured basis and $26,950,307 on an unsecured basis. The secured advances were collateralized by 66,922 home mortgages, the unpaid balances of which aggregated $174,086,071, by obligations of the United States, direct or guaranteed, having a face value of $4,122,325 and other eligible collateral totaling $78,228. In addition to this collateral, the Federal Home Loan Banks held a statutory lien on all stock in such banks owned by each borrowing member institution. The Federal Home Loan Bank Act requires that at no time shall the aggregate outstanding advances made by any Federal Home Loan Bank to any member exceed twelve times the amounts paid in by such member for outstanding capital stock held by it. Except for the indebtedness of a member in liquidation of $6,427 on which the bank anticipates no loss, there were no delinquencies in principal or interest in excess of thirty days. In fact, the banks have advanced over $1,000,000,000 since their inception, without sustaining a single loss."

Coal Stock Looks Good

The current situation in Truax-Traer Coal Company, which has a most widely diversified field of operations, offers attractive possibilities, according to a memorandum issued by Shaskan & Company, 40 Exchange Place, New York City, members of the New York Stock and Curb Exchanges. Copies of this interesting memorandum may be had from Shaskan & Company upon request.

Interior Dept. Funds Approved By President

A measure providing $105,000,000 for the Interior Department for the 1944 fiscal year was signed by President Roosevelt on July 12. The bill carries large sums for reclamation and irrigation projects in the West.

The House originally passed the measure on May 20 and the Senate on June 18. Final Congressional action came on July 6 when the Senate agreed to a conference report which the House adopted on July 5.

The bill includes $22,569,000 for the Central Valley project in California, $3,500,000 for the Colorado Big Thompson project and $3,000,000 for the Boise (Idaho) project. It also appropriates $64,000 for water conservation and utilization projects; this amount together with the unexpended balance carried over from the 1943 fiscal year will make a total of $5,000,000 available for this purpose.

Seaboard Reorganization Possibilities Interesting

L. H. Rothchild & Co., 120 Broadway, New York City, have prepared a study of Seaboard Air Line, which they believe is especially timely in view of the final report of the Special Master's plan for reorganization of Seaboard. Copies of this interesting study may be had upon request from L. H. Rothchild & Co.

Registration Revoked

The dealer-broker registration of Charles Hughes & Co., Inc., 32 Broadway, New York City, has been revoked by the Securities and Exchange Commission on charges of violating the Securities Exchange Act of 1934 and the Securities Act of 1933.

It is understood that the Hughes firm feels the Commission's action is not justified by the facts in the case and means to seek relief in the Courts.

Situation of Interest

Stock of The Interstate Company, owners of a large national chain of restaurants, offers interesting possibilities for appreciation, according to a memorandum being distributed by Kneeland & Company, Board of Trade Building, Chicago, Ill. Copies of this interesting memorandum may be had upon request from Kneeland & Company.

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Urges Abolition Of Over-the-Counter Markets

(Continued from page 298)

is 105 years old, during which long period of time it has enjoyed a responsible and respected position in this community. To become a member, a man has to meet stringent conditions both as to capital and reputation, and during his membership he is subject to rules and regulations for fair play and honest dealing.

"Despite all this, under existing regulations by the Securities and Exchange Commission, he can not buy or sell any security on the floor of our Exchange that is not registered with the Commission (with few exceptions—in the case of unlisted trading privileges and exempted securities).

"For instance, such purely local securities as Maryland Casualty Company, Maryland Drydock Company, Maryland Trust Company, Maryland Life Insurance Company, Baltimore National Bank, National Bank of Baltimore, Baltimore & Annapolis RR. Co., Baltimore Life Insurance Company and many others cannot be traded on our local Exchange for the above reason.

"Whereas, any fly-by-night broker without adequate supervision or affiliations may trade in such securities, without a record, anywhere in the community. He can buy at a price and sell for ANYTHING he can get, or he may sell first at a high price and then shop around, replace his securities without a record of either the purchase or the sale, and the buyer and seller have no way of knowing the difference in the way of profit made by such a broker.

"Now, compare such a transaction with what transpires when a security is carried to a legitimate exchange: The broker having the selling order offers the security and such offering, known to all the members of the floor, is passed out to the offices of members over the ticker tape or by telephone and the broker who has the buying order makes his bid in the same manner. When the bid and offer meet at a given price and the transaction is effected a record is made in the books of the Exchange, the transaction is printed on the local stock ticker and that afternoon it is carried in the local newspapers and a permanent record is in the books of the Exchange for anybody to inspect through the proper channels. The commissions are fixed, printed and available to anybody.

"It is my understanding that the Securities and Exchange Commission was formed with the primary object of protecting the public and the result is that it is doing nothing of the kind.

"It is my judgment that the public will be best served by a compulsory regulation that all transactions in securities be handled on designated, properly supervised exchanges and that various issues, not already listed, should be allocated to such exchanges in accordance with the location of the issuing corporation.

"If this were done, stock exchanges throughout the country would be keyed up to handle the volume of business that comes under their jurisdiction, the public would be safeguarded by knowing at all times what a security is worth and what it last sold for, and new companies seeking capital would have little difficulty in securing proper and conservative financing which is so very vital to the continuation of the American Government.

"I hope during the Congressional recess you will have an opportunity to study this situation in your own community.

"If I can answer any questions, I shall be very glad to hear from you.

"Very truly yours,
"HOWARD R. TAYLOR,
"President."

Stimson In Britain For War Conferences

Secretary of War Henry L. Stimson arrived in Great Britain by airplane on July 11 for important conferences with high civil and military authorities. This was Mr. Stimson's first visit to an American theatre of operations since the United States entered the war on Dec. 7, 1941, and for this reason military officials said that "great importance" was attached to his coming.

During his stay in the British Isles, the Secretary planned to inspect American troops, airdromes and other installations. On his way to Britain, Mr. Stimson stopped off at Iceland to inspect troops there.

On July 12 he conferred with Lt. Gen. Jacob L. Devers, U. S. commanding general of the European theatre of operations, and on July 13 was a dinner guest of Prime Minister Winston Churchill.

With Dempsey-Detmer

(Special to the Financial Chronicle)

CHICAGO, ILL. — Norman S. Fritz has became associated with Dempsey-Detmer & Co., 135 South La Salle Street, members of the Chicago Stock Exchange. Mr. Fritz was previously with the Industrial National Bank of Chicago.

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Keeping Faith With Shoe Buyers

The Largest Manufacturer Of Shoes Issues A Vital Message To All Shoe Buyers To Correct Misunderstandings Regarding Quality of Shoes Now Available to Civilians

In a rather unusually printed statement, appearing elsewhere in this issue of the "Chronicle," the **International Shoe Company** of St. Louis broadcasts a vital message to all shoe buyers that the company is not lowering the moral standards of its products—standards which have been maintained for 40 years.

The company explains that our Government has first call on shoe materials, built to rigid Government standards, but that does not mean good, dependable shoes are not to be had by civilians.

The company states that they as well as other shoe manufacturers could make more shoes were they willing to disregard quality which the International Shoe Co. is not and will not do. While the company is manufacturing millions of shoes annually for our armed forces, there is still a sufficient quantity of good, serviceable shoe material available in the trade to meet essential civilian requirements. The company's message is signed by Frank C. Rand, Chairman of the Board, and Byron A. Gray, President.

The International Shoe Co. sales branches include: Roberts, Johnson & Rand; Peters; Freidman-Shelby; Hy-Test (Safety Shoes); Vitality Shoe Co.; Queen Quality Shoe Co.; Dorothy Dodd Shoe Co.; Winthrop Shoe Co.; Continental Shoemakers; Conformal Footwear Co.; Pennant Shoe Co.; Jefferson Shoe Co.; Sundial Shoe Co.; Great Northern Shoe Co.; Interstate Shoe Co., and Metro-Craft Shoe Co.

Oil Industry Has Impressive Outlook

Few industries have more promising postwar prospects or can cope more easily with inflationary conditions than the petroleum industry, says the United Business Service in a special study released July 19.

The oil industry will have little or no difficulty in reconverting operations to a peacetime basis. Refinery capacity has been greatly increased and refining methods improved over the past year or two, but, according to estimates of fuel requirements after the war, the industry will not be troubled by surplus of burdensome facilities as will many other lines.

There will not be as many civilian automobiles in operation immediately after the war as there were immediately preceding it, but within a year or so the number promises to be well in excess of prewar. Some estimates of automobile output for the first two postwar years run as high as seven million units a year, compared with 4.5 million in an average good year.

When it is considered that a Flying Fortress consumes 245 gallons per hour and that the trend is toward larger planes than this, it is easy to imagine the enormous quantities of fuel that will be consumed by commercial air transportation alone when the war is over. Also increasing quantities of petroleum will be required for making synthetic rubber, alcohols, plastics, and many other items which have heretofore been produced exclusively by chemical manufacturers.

By the time postwar demand begins to get in its licks, crude oil prices will have moved up nearer to the record peacetime high of $3.00 a barrel compared with the $1.17 now quoted. And this increase is certain to pass along to refined products in time. Because of the growth possibilities and the impressive inflationary hedge features, the oil industry is one in which investor participation is recommended.

Longmire, McCutcheon Quit V-Fund To Return To Private Business

John R. Longmire, Executive Manager of the U. S. Treasury Victory Fund Committee in the Eighth (St. Louis) Federal Reserve District, and John D. McCutcheon, Assistant Executive Manager, have resigned to return to their private business connections, it is announced by Chester C. Davis, President of the St. Louis Reserve Bank.

Mr. Longmire, who has served in the post since June, 1942, is a partner of I. M. Simon & Co., St. Louis, while Mr. McCutcheon resumes his place with John D. McCutcheon & Co., Inc., St. Louis. The latter also has served since June, 1942.

Robinson-Duff To Admit

George Snedecor, Jr., will shortly be admitted to partnership in J. Robinson-Duff & Co., 61 Broadway, New York City. Mr. Snedecor will act as alternate on the floor of the Exchange for Vincent H. La Frence.

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Howard Burgwin Forms Own Investment Firm

PITTSBURGH, PA. — Howard J. Burgwin has formed Howard J. Burgwin & Co. with offices in the Union Trust Building to deal in investment securities. Mr. Burgwin was for many years a partner in Phillips, Schmertz & Co.

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Volume 158 Number 4196
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The Financial Situation

The seething administrative cauldron in Washington has at length generated an eruption which the President evidently felt he could not ignore or palliate. "Strong" action, accordingly, has been taken which reduces the Vice-President to the place which has traditionally been occupied by Vice-Presidents in the past—the presiding officer of the Senate, and otherwise largely a figurehead. It remains for the future to disclose, however, whether anything has been done to rectify the underlying situation, of which the recent outbreak of Mr. Wallace was but a symptom. Meanwhile, the resignation of a figure prominent in the OPA, accompanied by a statement fully as vitriolic as that of the Vice-President about matters that have to do with the work of the BEW, has so far brought forth nothing more than an appeasement effort on the part of the head of the OPA. Other "feuds", if that is what they are, have come near enough to public battles of words to attract the attention of the public, even if they have not drawn a direct rebuke from the President.

While all this has been going on, the President himself has not altogether kept his peace concerning his own disagreements with Congress. He has labeled one recent act of the National Legislature a bill of attainder, or the equivalent, an allegation not characterized by restraint or by meticulous regard for the facts of the case. On several other occasions he has let it be plainly seen, although not by forthright statement, that he bears a good deal of ill will toward Congress. All in all, the dispassionate observer is reminded of the poet's famous couplet:

> The river Rhine, it is well known, doth wash your
> city of Cologne,
> But tell me, nymph, what power divine shall henceforth wash the river Rhine?

It is, therefore, questionable if anything that has been said or done has altered the distressing Washington situation one jot or one tittle. The chaos that is Washington at present has its main roots in certain basic factors. One of them is that the Government, including Congress, is composed of at least two almost, if not quite, irreconcilable elements. Another is that executive functions are far too often in wholly incompetent hands. A third is the unwillingness

(Continued on page 330)

From Washington Ahead Of The News

By CARLISLE BARGERON

In traveling through the Sunny South as I have been doing recently one gets the impression for the first time that Mr. Roosevelt may be beaten for the fourth term nomination. It seems almost unthinkable that this could be the case. Yet it is. There is a strong rank and file hostility to him and Mrs. R. as well, very probably more against her than him. The general attitude seems to be one of incredulity that he can be seeking a fourth term. You are asked on every hand if he is "really" running, as if the people are loathe to believe what they read in the newspapers. "Does he want to be President of the world?" you are asked.

The Southern editors, by and large, calculatingly profess to be unable to believe he is running again. Being in what has been considered to be original Roosevelt territory they have a way of intimating that "reports" that the President is running again are absurd, circulated by mischievous and evil-intentioned people.

The "Savannah Morning News," somewhat bolder than the others, occasionally refers to the "reports" that he will run again, and interpolates "Heaven forbid."

There seems to be little doubt that the Southern Congressmen who have been in revolt are reflecting the views of their constituents. If the New Dealers think they will return to Washington after the recess in a chastened mood, they, the New Dealers, are in for a keen disappointment. In the South that "poor man's" vote, which was the New Deal's strength everywhere, has gone, just as it has gone in other sections of the country. The South is making money out of the war, too. The former WPA vote is making $65 to $100 a week in the shipyards and other war industries, just as it is in the East and on the Pacific Coast. And here as elsewhere it is becoming tax conscious.

Mrs. Roosevelt's obvious exploitation of the Negro voters and Mr. Roosevelt's coddling of labor are the two most audible com-

(Continued on page 333)

Problems Facing Business and Industry Transcend Any That Have Ever Arisen Before

Kent Stresses Importance of Free Democracy Under Private Enterprise

"The problems which will face business and industry at the conclusion of World War II will transcend in number and difficulty any that have ever arisen before," declared Fred I. Kent, Chairman of the Post-War Planning Committee of the Commerce and Industry Association, on July 20 at a luncheon in New York at the Waldorf-Astoria tendered to him in recognition of his 50 years of public service by 100 friends and associates who are leaders in the industrial and business life of the city.

"It will not be possible for men to solve these problems," said Mr. Kent, "unless they know in a great general way what kind of a world they wish to have prevail when the war is over." "Fortunately," he added, "the American people have shown very positively many times and in many ways that they wish to live in a free democracy. This is true even though during recent years they have been lulled into unconsciously allowing themselves to be tied down in many ways by Governments that are un-American and un-Constitutional."

Mr. Kent further said "a free democracy where the production and services required by the people are carried on under private enterprise and laws which restrict only when the rights of others are concerned can lay the foundation for a new world that will spread happiness and contentment as widely as is possible to mankind."

Asserting that "in the post-war world it is the wish and hope of a vast majority of the citizens of our country that we may live under a free democratic Government," Mr. Kent continued.

"Our post-war problems consequently resolve themselves into seeking to make effective those activities of Government, business and industry which will provide for the employment of men and women together with such insurance of any individual in case of need that will not dissipate the sense of responsibility to himself and to the community but that will serve to protect all in emergencies that may be beyond their control from needless hardship and suffering.

"Post-war planning for World War II can follow a straight path in principle even though it must cover a wide range in the activities of mankind.

"While the war lasts we must accomplish such legislation and such understanding as will help in the war effort while at the same time providing the means to create a sound and safe post-war world. Fortunately much that is necessary to the success of the war effort will help provide for proper peace conditions.

"Let us consider just a few instances of this dual need: Manpower shortage threatens our war effort at the same time that overmanned Governmental departments clog the machinery of Government and slow down the processes of business and production. Here we have something whose correction can work both ways—that is, to the advantage of the war effort and help business and industry to function in time of peace.

"The vast bureaus of Government with their more than 3,000,000 employees can be broken down without throwing anyone out of a job by distributing close to 2,000,000 men and women among the activities of the Army, Navy, Marine Corps, industry and agriculture. Such distribution would still leave three times as many employees under Government as was true in 1932, and more than the 918,000 on November 11, 1918. Such addition to the manpower of the country in more essential pursuits would serve to relieve the friction and slowing down that prevails in many important zones of employment today.

"On the other side, the savings of The Treasury of the United States would be somewhere around $4,000,000,000 a year in wages to say nothing of the value of the increased efficiency in the

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Invisible Cabinet Plans Domestic Economy

By PAUL MALLON

The impression is established among Congressmen—from what they hear inside—that the Byrnes-Vinson-Jones regime is largely a front for an invisible cabinet which really plans the domestic economy.

Mr. Roosevelt's espousal of the subsidy plan has been attributed, for instance, to this cabinet. The Congressmen have heard of a meeting at the White House, attended by the leading executive officials of the Administration, at which Administration policy on this subject was to be determined.

Paul Mallon

The nominal leaders, the men whose names are in the newspaper every day, were not strong for White House espousal of the subsidy doctrine. The President sided against them, however, and in favor of a quintet of officials whose names seldom reach the public eye.

These five, now frequently referred to as "the Quiz Kids," included Harry Hopkins, Ben Cohen, Judge Rosenman, Edward Pritchard and Richard Gilbert.

To establish further the omnipotence of this invisible five, a Democratic leader in Congress confided to his associates that Ben Cohen (who is Mr. Byrnes' legal advisor) wrote the first draft of F. D. R.'s veto of the Commodity Credit Bill and its anti-subsidy provision.

There is even more direct evidence. The meat industry, including livestock men, drew up a plan which its leaders believed would help solve the situation. Among other things, they wanted Government purchase of 40 to 45% of all meat as a means of stabilizing prices and keeping them down.

They first received the approval of Chester Davis, then food administrator, and from him went to see Economic Stabilizer Fred Vinson. He passed them on to War Mobilizer Byrnes, who said the idea "sounded good," but he was operating under directives. Byrnes suggested they see the President.

When they did, the President sent them back to Byrnes. Even then, Byrnes would only say:

"It is my duty to administer the program given to me."

The meatmen thereupon had to conclude that the policymakers of the Government were not those

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or the inability of the President either to lay down clear lines of policy or to effect a workable organization of the Executive branch. The situation, it appears in the OPA, is well described by Mr. Maxon in the statement accompanying his resignation. "There is," he said, "a strong clique in OPA who believe that the Government should manufacture and distribute all commodities. Call them left wingers or new thinkers or Tugwellists, or whatever you will, they are actively at work in OPA. They are using the war as a means of furthering their reform ideas and will continue to use honest men in OPA as a front for their efforts. If this group isn't curbed we are going to lose a good slice of the very freedom we are fighting for. I cannot subscribe to their obvious efforts to force radical and dangerous concepts on the public under the excuse of wartime needs. . . . There is little attempt to observe or utilize the normal processes of business. It must be new and different and difficult, or it isn't OPA.

"I don't believe OPA should be turned over to big business or little business or any group or interests. However, OPA should welcome the experience and knowledge and cooperation of people who know the intricate problems of those affected by their orders. Industries should have a part in making the regulations they must live with. OPA has failed to take full advantage of business experience and good sense in helping make their programs work. If a man owns an extra suit of clothes or if he has been a success in business—that shouldn't bar him from service in OPA." And more of the same sort.

If this situation were confined to OPA its seriousness would be far less than it is today. If only this one organization harbored these groups which are so certain that "old experience is a fool", to use the words of the poet, which are so incompetent in their own right, and which are so determined to make the world over to their liking that they are quite ready to make full use of the war situation to further their plans, the resulting state of affairs would still be bad enough in all conscience, but would be less downright alarming than is the fact. The truth is, however, that much the larger number of Government offices are afflicted in precisely the same way, and that very, very few, if any, are wholly free from the blight.

It is, of course, well known that the BEW was wholly dominated by men of precisely this type. The President, by eliminating Vice-President Wallace and Milo Perkins from the organization, may have prevented a full Congressional investigation of what has been taking place in this weird program. The facts may or may not ever become fully known. We have no hesitancy in asserting that it is our considered opinion that if the full truth were made known to the public the resulting reaction would equal if not surpass that which is developing out of the other situations that have so directly touched the lives of us all. This phase of the matter apparently is of no interest to the President, however, since he has apparently preferred to treat the entire episode as if it were merely a personal feud between two of his subordinates.

It is without much question true, as is popularly believed, that the Director of Mobilization, the new Director of the Office of Economic Warfare, and the Secretary of State are far more reasonable and sensible than the Vice-President or Mr. Perkins. The thoughtful citizen can only hope that decisions henceforth will really be made by men such as Mr. Byrnes and Mr. Hull. If so, we shall probably be saved much embarrassment, much money, and many post-war complications of a serious nature, although it is not possible to appraise the harm that has already been done. But are these gentlemen really to control the situation from this time forward? In the past, reshuffling of organizations and of personnel have not always meant precisely what they seemed to suggest.

Nor is it wholly clear that the new organization which the President has established to take the place of the BEW is one which can be expected to function effectively. Note these passages from the Executive Order creating Office of Economic Warfare:

"No part of any funds appropriated or made available under Public Act 139, approved July 12, 1943, shall be used, directly or indirectly, after Aug. 15, 1943, by the Office of Economic Warfare for the procurement of services, supplies, or equipment outside the United States except for the purpose of executing general economic programs or policies formally approved in writing by a majority of the war mobilization committee and such writing has been filed with the Secretary of State prior to any such expenditure. . . .

"The functions of the Office of War Mobilization shall include the authority to arrange for the unification and coordination of the activities of the Federal Government relating to foreign supply, foreign procurement and other foreign economic affairs in conformity with the foreign policy of the United States as defined by the Secretary of State."

If there is any clear delineation of the duties, responsibilities and authority as between the State Department and the war mobilization committee, we are unable to discover it. The Department is not represented on the committee, but Harry Hopkins is a member and Ben Cohen is its counsel. It is not even clear who is in all instances to formulate policy, and no provision appears to be made as to whose judgment is to be final in the interpretation of policies as determined by the Secretary of the Treasury.

The pot appears merely to boil on after having been stirred a little.

Merely "Academic"?

"I have come to the conclusion that the unfortunate controversy and acrimonious public debate which has been carried on between you in the public press concerning the administration of foreign economic matters make it necessary, in the public interest, to transfer these matters to other hands.

"In the midst of waging a war so critical to our national security and to the future of all civilization, there is not sufficient time to investigate and determine where the truth lies in your conflicting versions as to transactions which took place over a year and a half ago.

"My action today is not intended to decide that question. The important thing is to clear the decks and to get on with the war at once. To do this requires a fresh start with new men, unencumbered by interagency dissension and bitterness.

"I am persuaded that the present controversy indicates that future cooperative action between your two agencies is impossible, and that without full cooperation between you the program of economic warfare cannot be carried out.

"I am sure that the American people understand that both of you have attempted to do your duty as you have seen it; but we must go forward without any further public debate as to matters which are now academic so far as winning the war is presently concerned."—The President to the Chairman of the BEW and the Secretary of Commerce.

So far as the "debate" to which the President refers concerned itself merely with who killed cock robin, the general position of the Chief Executive is, perhaps, unassailable.

But is there anyone who believes that nothing more was involved in this controversy between Mr. Wallace and Mr. Jones?

And can it really be that these deeper differences between the two are merely "academic" in any acceptation of that term?

Yet the President skillfully avoids these issues.

The State Of Trade

Most of the heavy industries showed declines for the week due to the holiday. Car loadings and electric production were off considerably; steel operations were reported as still being hampered by coal shortages. Department stores showed a weekly drop of 1%, which compares with a rise of 21% for the four week period against the corresponding period last year.

Loadings of revenue freight for the week ended July 10th totaled 808,630 cars, according to the Association of American Railroads. This was a decrease of 43,476 cars from the preceding week this year, 46,528 cars fewer than the corresponding week in 1942 and 67,512 cars under the same period two years ago.

This total was 114.36% of average loadings for the corresponding week of the ten preceding years.

Electric power output of 3,919,398,000 kilowatt hours in the week ended July 10th, compared with production of 4,110,793,000 the previous week and 3,428,916,000 in the same period last year, according to the Edison Electric Institute.

The Pacific Coast led other major geographic divisions in percentage increases over 1942 at 19.5. The New England division declined 0.8%. The country as a whole was 14.3% ahead of last year.

Steel operations this week, reflecting the improvement in coal supplies, are scheduled at 98.3% of capacity, compared with 97% in the preceding week, a gain of 1.3%, according to the American Iron & Steel Institute.

The current schedule is the equivalent to production of 1,702,200 net tons, against 1,679,700 tons a week earlier. A month ago operations were at 97.6% with output of 1,690,100 tons, while a year ago it was 98% with production of 1,676,500 tons.

Unsettled conditions in the coal fields are still jeopardizing steel operations in the Pittsburgh district, according to the "Iron Age". The industry publication put the score at 14 blast furnaces still down for lack of fuel.

"The series of coal strikes now are viewed as the worst domestic disaster since the war started," the "Iron Age" said, adding that a revised tabulation has increased the estimate of steel lost to 220,000 tons from previous calculations of 170,000 tons.

"The steel-for-victory-drive has been hampered definitely," the publication asserted. "Strategic stockpiles of coal and coke probably cannot be rebuilt to a comfortable level for the duration of the war. No immediate step which will end the troubles at the mines appears to be in sight."

Civil engineering construction volume in continental United totals $104,015,000 for the week. This, not including construction by military combat engineers, American contracts outside the country and shipbuilding, is 40% below the corresponding 1942 week, reports Engineering News-Record, and compares with $42,002,000 for the preceding week. Private construction is 75% above the week last year, public work is down 46% and federal is down 45%.

The current week's volume brings 1943 construction to $1,972.417,000, an average of $70,443,000 for each of the 28 weeks.

Department store sales on a country wide basis were down 1% for the week ended July 10th, compared with the like week a year ago, according to the Federal Reserve Board.

Store sales were up 21% for the four weeks ended July 10th compared with the corresponding period a year ago.

Department store sales in New York City in the week ended July 17th were 10% larger than in the corresponding period of last year, according to a preliminary estimate issued by the Federal Reserve Bank of New York.

In the previous week ended July 10th sales of this group of stores were down 11% from the like 1942 week.

The seasonal slackening in retail trade was more in evidence last week, according to the weekly review of Dun & Bradstreet, Inc. Retailers still report difficulty in replenishing stocks depleted by more active buying in previous weeks. While dollar volume continues to soar over last year's levels, retail inventories have dropped about 20%.

Gross revenues of eighty-nine Class I railroads in June were $598.598,091, an indicated increase of 18.1% over gross of $506,920,845 in the month last year, according to preliminary figures announced by the Association of American Railroads.

WPB Calls For Cut In Newsprint Orders; Inventories Reduced

The War Production Board on July 14 directed that all newspaper publishers reduce their orders of print paper to their consumption quotas, and at the same time required a majority of the publishers to hold inventories to 50 days' supply. The previous inventory limit was 75 days' supply.

H. M. Bitner, Director of WPB's Printing and Publishing Division, said, according to the Associated Press, that it is hoped the two measures will reduce orders of print paper to meet available supplies. The regulations, effective Aug. 1, are based on recommendations of the Newspaper Industry Advisory Committee.

Mr. Bitner explained that paper stocks are low and supplies limited, despite the fact that both domestic and Canadian production facilities have been expanded to the utmost. "Therefore," he added, "the Printing and Publishing Division is endeavoring to effect an equitable distribution of available paper and this is being done without any distinction as to the type of newspaper."

The Associate Press Washington advices added:

"Beginning Aug. 1, publishers may not accept delivery of print paper in any one month in excess of one-third of their current quarterly quota plus a similar proportion of any additional quarterly tonnage granted by WPB after an appeal. Smaller papers whose deliveries amount to a fraction of a carload may, however, increase their receipts to one carload a month.

"The purpose of the new delivery requirement is to keep United States newspaper publishers from ordering more paper than they actually require," Mr. Bitner said. "Canadian deliveries now are limited to 210,000 tons per month. Recently, United States publishers ordered approximately 12-13% more paper than Canada had agreed to furnish, forcing Canadian authorities to reduce their deliveries by the above percentage. United States mills are also known to have received orders in excess of their present production of 61,000 tons a month, and to have experienced the same difficulty in filling orders equitably."

Problems Facing Business, Industry Transcend Any That Have Ever Arisen Before

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working of the departments that would ensue.

"The savings to business and industry in the country would be enormous also as breaking down the bureaucracies in this manner would raise a tremendous burden from our productive machinery that would enable it to speed up and produce at less cost to the relief of The Treasury Department and the benefit of the taxpayers of the country.

"Certain forms of destroying bureaucratic interference with business and industrial processes would be eliminated. The result of such a development would immensely further the success of our war effort and it would at the same time remove one of the things that, if not corrected, will make the general employment of men and women following the war beyond power.

"Another necessary and important undertaking that will help in the war effort and in the recovery following peace will be the breaking down and elimination of the propaganda agencies of Government. This will naturally come about to a certain extent as Government bureaus and departments are brought within the bounds of personnel needed to efficiently accomplish the operations of Government, but that is not enough.

"Most of these publicity agencies should be eliminated entirely. They have no place in a democratic Government. They are un-Constitutional in principle wherever, as is true in too many instances, the taxes paid by the people are used to develop Governmental competition with the people. Propaganda that is aimed to expand and make permanent activities which should not be carried on by Government but that, when they are operative, compete with private enterprise on unfair basis, should have no place in Government."

Referring to the Wagner Labor Relations' Act, as "possibly the most harmful piece of legislation ever passed by Congress," Mr. Kent observed that "under this act it has become possible for certain labor leaders to create a situation that is making this war cost the Government of the United States, and therefore its people, a sum that in the end will probably reach somewhere between $50,000,000,000 and $100,000,000,000 more than was necessary." He noted that "if the wages of labor only rose to meet the increased cost of living that was due to other causes it would rise very slowly."

He went on to say, "When, however, utilizing the Wagner Labor Relations Act as a means to the end, strikes were developed, millions of man days were lost and the cost of production was increased, a situation was created under which the wages of labor rose faster than the cost of living. Such cost, however, followed in the wake of the wage increases and laid the foundation for the vicious spiral that reaches toward inflation.

"For instance, from August, 1939 when the war effort started, until January 1, 1941 when the Little Steel Formula was established, the cost of living went up 2.4% whereas the increases in rate of hourly wages was 5.4%. From then on there was an acceleration in the increase of wages and in January, 1943, while the cost of living had only risen 20.7%, hourly wages had increased 35.8% and weekly wages 59.4%. The effect upon agricultural production was to cause a tremendous rise in prices which went up during the same period 91.8%."

The Speaker advocated the rescinding of the Wagner Labor Relations Act, and in its place "a new labor law, fair to labor, fair to employers and fair to the public" be passed.

As to those agencies of the Government, "which have mostly been created during the last decade or so that are aimed to coordinate and develop procedures in certain fields of industrial endeavor for the purpose of protecting the interest of the people," Mr. Kent said.

"Congress should re-define every one of them and eliminate the possibility for them to carry on under regulations that constitute man made laws that are not subject to court review. The position of the courts, provided when the nation was born, should be reestablished. The purposes of the agencies should be set forth in such clear language that the intent of Congress and the power of those carrying on the agencies should be evident to all concerned.

"Restatement of these laws by Congress as promptly as is consistent with the need for utilizing the experience that lies within their history up to date should be accomplished in order to make them more effective in the future.

"This brings us to the question of taxation. The war effort can be restricted and seriously curtailed through wrong methods of taxation. Business and industry can be placed in such position that they cannot function in such manner as to provide jobs for the people in the post-war period if unwise methods of taxation are put into law. It is essential therefore, both in the interest of the war effort and reconstruction following the peace, that our tax system be rebuilt in such manner as to best serve the people. It is essential that Federal taxation be brought into line with state and local taxation as a complete system in our country covering these three areas from which money is taken from the people for Governmental purposes.

"It is essential that taxation be so levied that it will not destroy the private enterprise system—the system under which the savings of all can be utilized directly through investment or indirectly through savings banks and insurance to finance our businesses and industries upon which the people depend for their jobs and their ability to live in comfort surrounded by opportunities for education, culture and proper recreation.

"The necessity for taxation should be reduced by Government to the full extent possible through cutting out unnecessary expenditures for civilian purposes and saving waste wherever it can be brought about without interfering with the war effort in every branch of our military and civilian service.

"Taxation that is honorably and intelligently levied can obtain a tremendous sum from the people of the United States without reaching beyond such sacrifices as may be necessary to protect us in the war.

"On the other hand, a much smaller sum than might be available under such methods could easily destroy values to the detriment of the country in both war and peace."

Mr. Kent further declared that "post-war planning therefore requires the building of a tax structure that is sound in principle and that will be effective in administration."

Neal Dow Becker, President of the Association, introduced Thomas J. Watson, President of the International Business Machines Corp., who presided.

Mr. Kent is President of the Council, New York University.

Green Demands Cut In Food Prices Or Raise In Wages For Labor

Asserting that "America has failed to hold the line against inflation," William Green, President of the American Federation of Labor, served notice on July 19 that "unless prices of food are brought down to a reasonable level," organized labor "will have no other recourse but to demand wage increases."

Mr. Green made this assertion in an address before the convention of the Brotherhood of Maintenance of Way Employees in Detroit. In Associated Press advices, the following was reported:

After reviewing progress on the war fronts and labor's contribution to the war production effort, Mr. Green said "there has been an almost complete lack of appreciation in our country of the corresponding need of keeping America's soldiers of production in topnotch condition."

"Our domestic war economy," he said, "has not been geared to the need of protecting the workers against the hazards of inflation and its concomitant evils. This situation is becoming more and more serious each day. Profiteers and speculators are sapping the strength of the nation's army of workers. Drastic action must be taken at once to avert a breakdown of our wartime economy."

Mr. Green called the food situation "the domestic emergency of the moment" and demanded "intelligent and orderly action to assure workers and their families of a decent place to live in and enough nourishing food to eat within the reach of their income."

Both the Office of Price Administration and the War Food Administration, he declared, "have fallen down on the job" and workers who "accepted food rationing cheerfully are unable now to buy the amounts allotted to them under the rationing system" because "the cost of basic foods has mounted sky-high despite the price control program."

A. F. of L. food surveys in principal cities, he said, show that food prices have increased from 50% to 200% since the war started.

Congress, he commented, debated the subject at great length "before our lawmakers decided they were overworked and needed a two-month holiday."

"In the halls of Congress," Mr. Green contended, "the voices of special interests were dominant. Big farming combinations, cattlemen, distributors and packers demanded action by Congress which would permit the sky to be the limit for prices. Three times the Senate voted to forbid price rollbacks before it finally recanted by a single vote. In all of this debate, the interests of the consumers were ignored except by organized labor."

36 Girls Now Work On NYSE Trading Floor

Thirty-six young women began work on the floor of the New York Stock Exchange as its employees July 12. Eighteen of them have been employed as "quote girls" and 18 as "carrier pages." The jobs filled are in the floor force and formerly were held by men now serving in the armed forces.

The quote girls are working at the 15 trading posts, keeping the Quotation Department of the Exchange, on the 15th floor of the Exchange building, provided with up-to-the-minute floor quotations over special wires. Previously these girls were senior employees of the Quotation Department, which services member firm offices with floor quotations.

The Stock Exchange, in indicating this July 10, said:

"The carrier pages will carry sales and quote slips to the ends of the horseshoe-shaped trading posts, where the sales slips are folded into cylindrical containers and sent through a pneumatic tube system to the ticker control room for broadcast on the stock ticker tape. The quote slips are filed in boxes for future reference.

"The carrier pages have been in training for the past four weeks and the quote girls have trained for a week, under the direction of the Department of Floor Operations.

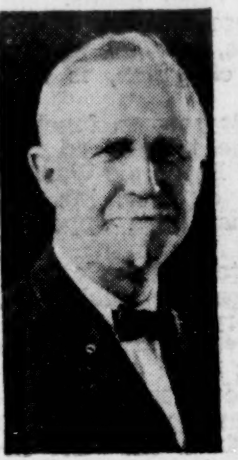
"Uniforms, in which the girls will work, as do other floor personnel, are of two-toned tropical worsted; the blouse is French blue with NYSE embroidered on the left pocket, and the skirt is of royal blue.

"The first girl to work on the trading floor of the Exchange, as an assistant to a member firm's telephone clerk, appeared on April 28. Her name is Miss Helen Hanzelin."

Post-War "New Deal"

Babson Says: "It's Up To The Returning Soldiers"

I question that Mr. Roosevelt is personally much interested in four more years in the White House. Along with Churchill, Stalin and Chiang Kai-shek, he is undoubtedly more concerned in winning the war. I believe he would prefer to leave office at the height of his career as Commander-in-Chief! And make no mistake in thinking that he is not the guiding head of our armed forces. As such, with the greatest war in the history of our country successfully behind him, his historical future would be far more secure than if he continued for four more years.



Roger W. Babson

Domestic Issues vs. War

The President may have told his friends — the Frankfurter, Rosenman and Hopkins crowd—to go ahead with fourth term plans and that he would string along with them. But Roosevelt is too smart a politician to make the mistakes that Woodrow Wilson did. He may feel that to both win the war and win the peace is too much for a just Providence to grant. My hunch is that he will let nature take its course. If the soldiers demand his continuance in office, he will run again; but not otherwise.

Roosevelt is making no attempt to straighten out his domestic front. Why he is willing that Congress should adjourn and its members—both Republican and Democratic—should go home and tell their constituents what a lousy job he is doing with rationing, with food control and other domestic measures, I cannot understand. Perhaps he believes that with "unconditional victory" all his domestic errors and omissions will quickly be forgotten. Let me tell him that the **memories** of our boys in the army, navy and air force will not be short.

Allied Cooperation

It is obvious that the closest possible cooperation has been necessary—both before and since Pearl Harbor—among the principal Allied Nations. All of the Allies, including our Latin American neighbors, are keeping the cards close to their chests and playing an admirable game. China, Russia, Great Britain and the United States naturally embrace different ways of living, different trends of thought, and have had different ideas as to policies. But fortunately all these considerations have been waived in the common agreement that the first task of all concerned is to whip Hitler and Hirohito.

In spite of her great losses in manpower, Russia will emerge from the war a stronger nation than ever before. She will no longer be an isolated nation. Russia's position in coming world affairs will have to be acknowledged and perhaps reckoned with. One set of conditions for the Allies can prevail when fighting for a common cause; but when peace comes these conditions will lose their significance. "Dog-eat-dog," rather than cooperation, may then be the rule.

Will Isolation Return?

Just what form our participation in world peace will take after the war, will depend upon our new war veterans. Perhaps, as a nation, we should adopt the slogan of "slow and careful." Many of them will remember our efforts, including Wilson's Fourteen Points, the Dawes and Young Plans and the League of Nations, which followed the last war. In the main, they were all failures. We were thanked but little for these efforts to establish a lasting peace.

So again, should we attempt to dominate the peace plans of the post-war era, our efforts may likewise fail. I doubt if there can be any semblance of a lasting peace in Europe without a Federation of States, which is what Hitler has had in mind for years. The continent of Europe comprises too many small countries and rulers for its own good. In the end, the Allies may be forced to do, through diplomacy, what Hitler has attempted through force of arms. But this will be decided not by Roosevelt but by our returning soldiers.

The Return to Domestic Issues

I am sure that we shall not be called upon to "feed the world" for more than a year or two. I am not so certain how the Beveridge "cradle to grave" plan would suit our people; nor contrariwise how any social security plans of ours would suit Great Britain or Russia. If it is the intent of any present New Dealers to draw our Allies into a "New Order" these other nations may diplomatically suggest that we had better first have "more order" in our own country—that is, fewer strikes, race fights and hold-ups.

I once said, "Watch Russia." I now add, "Watch Africa." In that country, if anywhere, the first signs of an attempted World New Deal will show up. I seem to recall that when Admiral Dewey made his triumphant entry into Manila he said that the Americans would remain in the Philipines only for a short time. It may now be that we will, likewise, experiment with Africa. Talk it over with your boys as they come home from the war. The decision will rest with them—not with the armchair strategists, or long-haired professors here at home. Likewise, they can determine the form of government, industry and business which will follow World War II, whether it shall be American or socialistic.

Listen more to what your boys are thinking!

President Relieves Wallace and Jones Of Foreign Economic Powers; Abolishes BEW

President Roosevelt issued an executive order on July 15 providing for unification of foreign economic affairs, relieving Vice-President Henry A. Wallace and Secretary of Commerce Jesse H. Jones of all responsibility in this field and creating a new Office of Economic Warfare, headed by Leo T. Crowley.

The President criticized both Mr. Wallace, head of the Board of Economic Warfare and Mr. Jones, head of the Reconstruction Finance Corporation, for publicly airing their dispute over purchases of foreign strategic materials. His executive order abolished the BEW and transferred its functions, together with the financing operations of all RFC subsidiaries engaged in foreign economic matters, to the new office.

At the same time, the President sent identical letters to the heads of every department and agency of the Government calling upon them to follow his previous instructions of not publicly airing disagreements as to fact or policy but to have them submitted to him. If disputes are first submitted to the press; Mr. Roosevelt said he will expect the officials involved to resign.

In his letters to Mr. Wallace and Mr. Jones, the President said he had "come to the conclusion that the unfortunate controversy and acrimonious public debate which has been carried on between you in the public press concerning the administration of foreign economic matters make it necessary, in the public interest to transfer these matters to other hands."

Mr. Crowley, who has accepted the post of Director of Economic Warfare, is at present Alien Property Custodian. He is also Chairman of the Federal Deposit Insurance Corporation, a post he has held since its creation in 1934. Since 1939 Mr. Crowley had also been President and Chairman of the Standard Gas and Electric Co., a position from which he has now been granted a leave of absence. He had not been accepting any salary from the Government for his services.

Mr. Crowley's first official action on July 17 was to inform Milo Perkins, Executive Director of the abolished BEW, that he wished him to continue in a consultant capacity at least until July 30.

On July 19, James F. Byrnes, Director of War Mobilization, conferred with Mr. Crowley and other officials on coordinating foreign economic affairs. Mr. Byrnes was given this task by the President.

Conferring with Mr. Crowley and Mr. Byrnes were representatives of the State Department, the Lease-Lend Administration, the Office of Foreign Relief and Rehabilitation, the Coordinator of Inter-American Affairs and the Budget Bureau.

When notified of Mr. Roosevelt's action, the Vice-President made the following comment: "In war time no one should question the over-all wisdom of the Commander in Chief."

Secretary Jones issued a statement saying he "most heartily" concurs in the President's "determination to have harmony and cooperation between Government officials and agencies in the war effort" and pledging "every possible assistance" to Mr. Crowley.

The dispute between Mr. Wallace and Mr. Jones over purchases of foreign strategic materials was reported in these columns July 1, page 20, and July 15, page 232.

We give as follows President Roosevelt's statement and letters concerning revisions of economic warfare as contained in Washington Associated Press advices July 15.

"The President today issued an Executive Order to unify the policy of the various administrative agencies engaged in different phases of foreign economic matters. The order also relieves both the Vice-President and the Secretary of Commerce of any responsibilities or duties in this field and transfers such responsibilities and duties to other hands.

"1. The present Board of Economic Warfare, of which the Vice President is chairman, is abolished.

"2. All of its powers, functions and duties are transferred to a new Office of Economic Warfare, headed by a director. Mr. Leo T. Crowley has been appointed such director.

"3. The United States Commercial Corporation, the Rubber Development Corporation, the Petroleum Reserve Corporation, the Export-Import Bank of Washington, and all the other subsidiaries of the Reconstruction Finance Corporation which are now engaged in financing foreign purchases and imports, are transferred from the Department of Commerce and from the Reconstruction Finance Corporation to the new Office of Economic Warfare to be administered by the new director.

"4. Until such time as the Congress provides other means of financing the Office of Economic Warfare, the Reconstruction Finance Corporation is directed to turn over to the Office of Economic Warfare all funds necessary to carry on its operations.

"5. The director of the Office of War Mobilization is given the responsibility of unifying and coordinating the policies and programs of the agencies engaged in foreign economic matters in conformity with foreign policy of the United States as determined by the State Department."

Letter to Messrs. Wallace and Jones

The following is the letter addressed by the President to Mr. Wallace, Chairman of the Board of Economic Warfare, and to Mr. Jones, Secretary of Commerce:

"Gentlemen:

"I have come to the conclusion that the unfortunate controversy and acrimonious public debate which has been carried on between you in the public press concerning the administration of foreign economic matters make it necessary, in the public interest, to transfer these matters to other hands.

"In the midst of waging a war so critical to our national security and to the future of all civilization, there is not sufficient time to investigate and determine where the truth lies in your conflicting versions as to transactions which took place over a year and a half ago.

"My action today is not intended to decide that question. The important thing is to clear the decks and to get on with the war at once. To do this requires a fresh start with new men, unencumbered by interagency dissension and bitterness.

"I am persuaded that the present controversy indicates that future cooperative action between your two agencies is impossible, and that without full cooperation between you the program of economic warfare cannot be carried out.

"I am sure that the American people understand that both of you have attempted to do your duty as you have seen it; but we must go forward without any further public debate as to matters which are now academic so far as winning the war is presently concerned.

"I have therefore issued today an Executive Order of which I am attaching a copy for your information and guidance.

Very truly yours,
FRANKLIN D. ROOSEVELT."

Letter to Department Heads

The President also addressed identical letters under date of July 15 to the heads of departments and agencies. The text of these letters is as follows:

"Dear Sir:

"On August 21, 1942, I sent to the head of each department and agency of the Federal Government a letter, copy of which is attached.

"I call your attention to the statement contained in that letter that 'disagreements either as to fact or policy should not be publicly aired, but are to be submitted to me by the appropriate heads of the conflicting agencies.' Notwithstanding these positive instructions, disagreements between agencies have been publicly aired on several occasions.

"I realize the nervous strain under which Government officials are working in the war time, but I cannot overlook any further violations of my instructions.

"By this letter I do not place any restriction upon your furnishing statements in response to Congressional inquiries.

"But if when you have a disagreement with another agency as to fact or policy, instead of submitting it to me or submitting it to the Director of War Mobilization for settlement under the terms of the order creating that office, you feel you should submit it to the press, I ask that when you release the statement for publication, you send to me a letter of resignation.

"If any subordinate of yours violates by instructions in this regard, I shall expect you to ask for his immediate resignation.

"I am sending identical letters to the heads of every department and agency of the Government.

"Sincerely yours,
"FRANKLIN D. ROOSEVELT."

We likewise give herewith the Executive Order issued by the President at the same time:

Executive Order

Supplementing the executive order establishing the Office of War Mobilization and providing for the unifying of foreign economic affairs

"By virtue of the authority vested in me by the Constitution and the statutes of the United States, particularly by the First War Powers Act, 1941, as President of the United States and as Commander in Chief of the Army and Navy, and in order to provide for the more effective unification of the agencies concerned with foreign economic affairs, it is hereby ordered as follows:

"1. The Board of Economic Warfare, existing pursuant to Paragraph 2 of the Executive Order No. 8839, July 30, 1941, as amended by Executive Order No. 8982, December 17, 1941, is terminated.

"There is established in the Office for Emergency Management an Office of Economic Warfare, at the head of which shall be a director, appointed by the President, who shall exercise the functions, powers and duties of the Board of Economic Warfare. The director shall receive such salary, travel, subsistence or other allowances as the President may determine.

"There are transferred to the Office of Economic Warfare for use in connection with the exercise and performance of its functions, powers and duties so much of the unexpended balances, appropriations, allocations and other funds now available for, as well as all the personnel, property and records heretofore used in the administration of the functions, powers and duties of, the Board of Economic Warfare.

"No part of any funds appropriated or made available under Public Act 139, approved July 12, 1943, shall be used, directly or indirectly, after Aug. 15, 1943, by the Office of Economic Warfare for the procurement of services, supplies, or equipment outside the United States except for the purpose of executing general economic programs of policies formally approved in writing by a majority of the war mobilization committee and such writing has been filed with the Secretary of State prior to any such expenditure.

"2. The United States Commercial Company, the Rubber Development Corporation, the Petroleum Reserve Corporation and the Export-Import Bank of Washington and their functions, powers and duties, together with the functions, powers and duties of the Reconstruction Finance Corporation and of the Secretary of Commerce with respect to them are transferred to the Office of Economic Warfare.

"All personal property, records, funds (including all unexpended balances of appropriations, allocations or other funds now available), contracts, assets, liabilities and capital stock of these corporations, together with so much of the personnel, records and property of the Reconstruction Finance Corporation used in the administration of these corporations as the Director of OHE Bureau of the Budget shall determine, are transferred with these corporations to the Office of Economic Warfare for use in connection with the exercise and performance of its functions, powers and duties. The Director of the Office of Economic Warfare may reconstitute the boards of directors of these corporations and take such other action as he deems necessary in respect of them to carry out the purposes of this order.

"3. (a) Until such time as the Congress shall provide other means of financing, the Secretary of Commerce and the Reconstruction Finance Corporation are authorized and directed to supply necessary funds to the corportations transferred to the Office of Economic Warfare by this order through loans, using for this purpose all the borrowing powers and unobligated funds of the Reconstruction Finance Corporation.

"Such funds shall be supplied at such times and in such amounts and in such manner and upon such terms and conditions as the Director of War Mobilization, on the request of the Director of the Office of Economic Warfare, may from time to time determine. The disbursement of the funds so supplied shall be under the exclusive direction of the Director of the Office of Economic Warfare, except as otherwise provided in this order.

"(b.) The functions, powers and duties and outstanding contracts and obligations relating to activities and transactions in or pertaining to foreign countries, now vested in, or in the name of, any corporation created and organized under Section 5 (D) of the Reconstruction Finance Corporation Act, or of any other corporation organized by the Reconstruction Finance Corporation, shall, unless the Director of War Mobilization otherwise determines, be transferred to the corporation or corporations designated by the Director of the Office of Economic Warfare, and the charter and by-laws of the corporations affected by such transfers, so far as necessary, shall be amended accordingly.

"Following such transfers, no corporations created and organized by the Reconstruction Finance Corporation, other than those transferred to the Office of Economic Warfare by this order, shall exercise any of its powers and functions in regard to any activity or transaction in or pertaining to any foreign country except as ordered by the Director of War Mobilization.

"The Secretary of Commerce, the Reconstruction Finance Corporation, and any corporation organized by it, shall execute and deliver all instruments which may be deemed necessary by the Director of War Mobilization to carry out the provisions of this order.

"4. The functions of the Office of War Mobilization shall include the authority to arrange for the unification and coordination of the activities of the Federal Government relating to foreign supply, foreign procurement and other foreign economic affairs in conformity with the foreign policy of the United States as defined by the Secretary of State. In providing for such unification the Office of War Mobilization may utilize the facilities of other departments and agencies, including the machinery for the coordination of foreign economic affairs established in the Department of State.

"5. All prior executive orders and directives in so far as they are in conflict herewith are amended accordingly.

FRANKLIN D. ROOSEVELT.

The White House,
July 15, 1943."

President Hails French On Bastille Day

President Roosevelt, in a statement issued on the eve of Bastille Day, July 14, declared that, on the anniversary of the winning by the French people of their liberties "there can be one symbol only for Frenchmen—France herself." The President stated that "French sovereignty resides in the people of France," adding that, in the freedom of tomorrow, the French people "will again give expression to their freedom in the erecting of a government of their own choice."

The President's statement follows:

"The fourteenth of July is, for all the peoples of the world devoted to the ideals of liberty, a day of celebration. We observe it this year, here in the United States, with special fervor. Immortal France has reaffirmed once again, in the most heroic circumstances, her greatness and her glory.

"On this anniversary of the winning by the French people of their liberties, I wish to recall again that the fundamental principles which guide our democracies were evolved from the American and the French revolutions.

"The keystone of our democratic structure is the principle which places governmental authority in the people, and in the people only.

"There can be one symbol only for Frenchmen—France herself. She transcends all parties, personalities and groups; they live indeed only in the glory of French nationhood.

"One of our war aims, as set forth in the Atlantic Charter, is to restore the mastery of their destinies to the peoples now under the invaders' yoke. There must be no doubt, anywhere, of the unalterable determination of the United Nations to restore to the oppressed peoples their full and sacred rights.

"French sovereignity resides in the people of France. Today, this people is shackeld by barbaric oppression. In the freedom of tomorrow, when Frenchmen and their brothers in arms of the United Nations have cleansed French soil of the enemy, the French people will again give expression to their fredom in the erecting of a government of their own choice.

"Long live liberty, equality, fraternity! May France live forever."

Col. McCormick Has No Intention Of Seeking Nomination—Challenged By Willkie

In a challenge to Col. Robert R. McCormick (publisher of the "Chicago Tribune") to enter the Illinois Presidential preferential primary next April, Wendell L. Willkie, 1940 Republican candidate for President, made known that should Col. McCormick enter the primary, he would certainly go in as a candidate against him.

On July 16 Col. McCormick made it clear that he had no present intentions of going after the nomination for himself, according to the New York "Sun," which said:

Passing through New York, after a visit to his pulp properties in Canada, he avowed that he was a publisher, not a politician.

Of the situation, generally, he said:

" . . . If MacArthur wins a great victory he will be the next President. If he doesn't win one it will be because Roosevelt has not given him sufficient support."

Thus eliminating the possibilities of Gen. Douglas MacArthur, Mr. McCormick named Senator Taft of Ohio as being in a strong position to get the nomination.

"But if Ohio doesn't go for Taft," he countered, "he is going nowhere. Any of the nine new Republican Senators might suddenly come up, but I don't know. It's too early to tell." . . .

"Anybody can beat Willkie in Illinois, so I won't have to take the trouble."

The New York "Herald-Tribune" of July 16, in reporting Mr. Willkie's challenge to Col. McCormick, said:

Mr. Willkie, in an interview, was asked whether he had heard that Colonel McCormick might become a candidate of the Republican Nationalist Revival Committee in the Illinois primary.

"Yes," Mr. Willkie replied, "and I hope it is true. Anything that can be done to encourage Mr. McCormick to enter the Illinois primary I hope will be done. That would give me an opportunity to make very clear the greatest issue of the day, which is this nation's relations with the rest of the world, and liberal internal domestic policies."

"Mr. Willkie said he was not yet ready to discuss what he might do about Presidential preferential primaries in other States nor what he might do about the Illinois primary should Col. McCormick fail to enter. His conversation left it clear, however, that he is anxious to carry the issue of post-war policies to the people in the next Presidential campaign.

"Col. McCormick was reported at his office in Chicago last night to be in Canada and unavailable for an interview. There was no "Chicago Tribune" comment.

"Col. McCormick has been a persistent critic of New Deal domestic and foreign policies. His views on foreign policy are pointedly isolationist and are contradictory to the policy of Mr. Willkie as set forth in Mr. Willkie's recent book, "One World," and in many speeches throughout the country.

"Col. McCormick was proposed as a Presidential candidate for entry in the Illinois primary at a meeting in Chicago on July 1 of the Republican Nationalist Revival Committee. Leaders in the movement are former Representative P. H. Moynihan, of Illinois, and William J. Grace, who was chairman of the Keep-America-Out-of-War Committee prior to Pearl Harbor.

"Associated with the group also is Representative Paul Shafer, Michigan Republican, who has said that President Roosevelt's Four Freedoms policy is a direct danger to the United States.

"The July 1 meeting adopted a resolution describing Colonel McCormick as a personification of "the American nationalist viewpoint" and specifically asked him to run in the primary against Mr. Willkie, who, the resolution stated, "personifies internationalism."

From Washington

(Continued from first page)

plaints, but over all there seems to be a feeling that the President is just too greedy. There is the feeling that the Southerners have are the two most audible combeen right nice to him and that he is taking advantage of it. Everywhere one goes there is discussssion of the racial situation. Community leaders are utterly aghast at what they consider to be the military stupidity in distributing Negro troops. The question may be academic with the "thinkers" in Washington and the East. In the South it is very serious business. You find the gas rationing more severe even than in the stricken East. This is due to the fact that other means of transportation are sparser. Social life has been reduced to the vanishing point. Most everybody just seems to work, get home the best way possible and stay there.

Your correspondent is certainly not making any predictions that the South WILL bolt the President in the nominating convention. But there are certainly moves to that end taking shape.

Here in Washington a few weeks ago there was a luncheon attended by several leading Democratic Senators and the ubiquitous Jim Farley. At that luncheon plans were discussed tentatively of having key political figures in their respective States tying up the delegation. At the time there was a widely circulated report that the plan was to run Senator Gillett of Iowa against FDR. The fact is he was only supposed to tie up the Iowa delegation. Senator George of Georgia was there. His assignment, of course, would be to hold Georgia, and conceivably, as was the case against Al Smith in 1928, South Carolina and Florida. It is doubtful, though, that he would want to get mixed up in such a situation next year because he will be a candidate for reelection himself. Furthermore, George is not given to "plotting," so to speak. But there is a possibility that a Southern-wide move could be organized behind him, in which event he would become a bona fide candidate, and not be simply a stalking horse.

Aside from men like George, insofar as the South is concerned, the Senators are not the ones to tie up the delegation. The Governors, with their patronage machine, invariably control the delegation except in a State like Virginia where Senator Harry Byrd is in indisputable control.

But from talks I have had with the Governors there is no reason to assume that a stop-Roosevelt movement in the South is impossible. In Georgia, for example, the up and coming young Ellis Arnall, after bespeaking his support of Roosevelt all over the State when seeking the Governorship last year, seems now to have lost all affection for him. He has become an active critic of the bureaucratic bungling at Washington.

From what I have seen and heard of the Southern Governors I am inclined to put more stock in their feeling against a fourth term than I am in the revolt among the Southerners in Congress. As the time nears for the campaign they are going, very likely, to think long and hard before risking their party's defeat and the loss of their committee chairmanships, etc. This consideration, however, will not lie so strongly with the Southern Senators because in all probability they will keep control of the Senate regardless of who is the next President.

Farmer, Not Labor On Strike, Says Lynch

The American farmer, and not labor, was pictured as being "on strike" by Representative Walter A. Lynch, (Democrat) of the Bronx in an address to about 300 delegates at the 33rd quadrennial convention of the International Longshoremen's Association (A. F. of L.) at the Hotel Commodore on July 15. Reporting Mr. Lynch as having voted against the Smith-Connally anti-strike bill the New York "Sun" of July 15 quoted him as follows:

"Defending American labor and assailing the farmer, he said:

"The labor man is not on strike today, but the farmer, who refuses to send his cattle and produce to market, is on strike. He is on strike despite the fact that he is getting great assistance from the Government in the form of payments for soil conservation, and is almost getting subsidies for non-production."

"Representative Lynch also attacked 'those in Congress now engaged in writing anti-labor legislation.' He said that many of them were not thinking of helping the war effort or war production, but were "trying to write into legislation their own anti-labor bias, and using the war as a cloak to do so."

Restaurant Prices Are Frozen To April Levels

Prices of food and beverages in restaurants and other eating places in New York, New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia were ordered frozen on July 19 by the Office of Price Administration to levels prevailing for the seven-day period April 4-10. The order, announced by Sylvan L. Joseph, OPA Regional Administrator, becomes effective July 26 and is said to affect approximately 250,000 establishments.

Mr. Joseph said that a survey had revealed that prices in restaurants have risen since April 10 and are threatening to rise further to an extent inconsistent with the Price Control act and the President's "hold-the-line" order. The survey further disclosed, he said, that the prices charged during the week of April 4 to 10 were generally fair and equitable.

Mr. Joseph emphasized that the order did not preclude rollbacks for some operators where the April 4-10 prices are found to be excessive.

In the New York "Sun" of July 19 it was stated:

"Among the provisions of the new ruling is one which will permit restauranteurs, night club operators, etc., who customarily raise their prices for meals on such holidays as Christmas, New Year's Eve and Thanksgiving, to continue to do so.

"The operators are prohibited from dropping food items from their menus and from lowering the quality of the food served or reducing the size of portions without making an appropriate reduction in prices charged.

"Each menu card offered a patron must, under the order, have a 'clearly written' statement that all prices on the menu are ceiling or below, and are based on the highest prices charged during the week of April 4-10, 1943. The menus also must state that menu cards for that week are available for comparison."

Gen. Giraud Gets Pledge Of Rearming French Troops

Gen. Henri Honore Giraud, Co-President of the French Committee of National Liberation, who had been conferring with American and Canadian officials earlier this month, arrived in Great Britain on July 20. The French commander had conferred with President Roosevelt and his aides on military problems soon after his arrival by airplane in Washington on July 7.

At a press conference on July 9, Gen. Giraud announced that he had made an arrangement with President Roosevelt for the rearming of 300,000 French troops with American equipment. He also pledged that French forces will stay in the war "to liberate the Pacific from Japanese domination" and that France will remain with the United Nations to build a lasting, just and realistic peace.

Gen. Giraud said that he and Gen. Charles de Gaulle, as cochairman of the new French Committee of National Liberation, had established as their sole aim "the defeat of the Axis forces, the liberation of France, the return to a political structure in conformity with the natural aspirations of our country." He added that France, to the limit of her ability, has put forth all her resources to the Allied pool.

After a stay of five days in the nation's capital, Gen. Giraud inspected troops at Fort Benning, Ga. and then came to New York City. On July 13 he visited West Point, reviewing the cadets, and on July 14, after a brief inspection tour of the Brooklyn Navy Yard, left by plane for the midwest. In Detroit, on July 14-15, Gen. Giraud toured some of the larger war plants and later went to Canada.

Invisible Cabinet Plans Domestic Economy

(Continued from first page)

whose names are on top, but no doubt the "Quiz Kids" of the invisible cabinet.

The public thus has a wholly wrong impression of the Washington domestic war set-up. Many millions of words have been wasted in comment (some in this column) about the various changes made or still required at the top of various agencies, whereas the real makers of policy never had been changed and will never be.

This invisible cabinet, in the main, has been working behind Mr. Roosevelt for many years. Mr. Cohen was in NRA, Hopkins in WPA, and Rosenman at the President's elbow in the earliest stages of the New Deal.

Pritchard is only another name for Felix Frankfurter, inasmuch as he was a former secretary to the Supreme Court justice and a representative of that school of thought. Gilbert, special assistant to OPA's Prentiss Brown, is one of the old Henderson crowd, a New York lawyer who dabbled in economics.

Apparently, whenever the Knudsons and Nelsons are dropped or sidetracked in favor of the Byrnes and Vinsons, it only means a change of the figures in the showwindow, whereas the windowdressers always remain the same. The President, no doubt feels they represent what he wants in the way of economics with the piquant flavoring of reform politics.

In this instance, of course the subsidy was backed—among all the pressure groups of political and economic influence—only by the CIO. The farmers did not want it. The packers did not want it. The consumers did not want it.

But the invisible cabinet thought it was a good idea and they seem to know year in and year out what the President will always take.

Betting here is that Food Administrator Marvin Jones will not last any longer than his predecessor, Chester Davis. Most officials give him a few months. The change of Davis for Jones, for instance, brought no change in the position of Pritchard, who was special assistant to both.

The only change here that would make any real difference, now or hereafter, would be in the invisible cabinet. There is no likelihood of that before Mr. Roosevelt himself changes or is changed.

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President Signs CCC Bill

President Roosevelt signed on July 12 the bill extending the life of the Commodity Credit Corporation but said he did so with the understanding that it permits standardizing commodities where necessary for a price-fixing program.

In a statement, the President said the language of the measure was so ambiguous that he felt it necessary to give his own interpretation of it to prevent further misconceptions.

The bill, extending the CCC until Jan. 1 and rasing its borrowing power from $2,650,000,000 to $3,000,000,000 also modified a ban on grade labeling and standardization of products which had been carried in the measure appropriating funds for the Office of Price Administration.

"In view of the uncertainty created," said the President, "I feel it necessary to state my own understanding of the amendment, as drawn from the expressed intent of its sponsors." The President added:

"The language in the bill relating to standards is so ambiguous that misconceptions have already arisen as to its effect. The matters involved are of utmost public concern. The legislation was adopted only after fragmentary debate.

"The language of the bill appropriating funds for the Office of Price Administration was construed as prohibiting the administrator from making use of standards in any case regardless of how essential they were to price control unless such standards had been previously established by industry acceptance or by Government action. Such a construction would cripple price control because trade standards are frequently lacking or, as in the case of the grades of meat, incompletely established.

"I am satisfied this bill has no such meaning. It was presented to the Senate and House to avoid the consequences that would have followed the adoption of the language in the appropriation bill.

"Senator Taft, who sponsored the language in the appropriation bill and the modification in this bill, stated expressly that the modification preserved power in the administrator to 'standardize' a commodity in any case in which this was 'absolutely essential to an effective system of fixing prices.' These assurances are in accord with the purpose and the terms of the compromise amendment and must be taken as controlling.

"It is with this understanding that I have signed the bill."

Passage of the CCC bill after eliminating the ban on the use of subsidies to roll back retail food prices was noted in our issue of July 15, page 232.

Approval By Congress Of Ration Plans To Be Asked By OPA

Brown Names Bowles OPA Manager—Denies Agency Has Designs On Industry—Maxon Resigns

Price Administrator Prentiss M. Brown announced on July 15 that he had offered the general managership of the OPA to Chester Bowles, State Director of OPA for Connecticut and New York advertising executive.

At the same time, Mr. Brown refused to affirm or deny certain charges made against the OPA on July 14 by Lou R. Maxon, OPA information chief who resigned on that day. Mr. Brown, however, did take occasion to answer two of Mr. Maxon's charges. The Price Administrator said there is nothing to the charge that certain people in his office propose that the Government shall take over manufacture and distribution of all commodities.

"I have never heard any such proposal," Mr. Brown said, "and certainly there is absolutely no intention on the part of this office to undertake any such control."

Mr. Maxon, in a lengthy statement offering his reasons for resigning, said there was a strong clique in OPA—describing them as "left wingers or new thinkers" actively at work "to force radical and dangerous concepts on the public under the excuse of wartime needs."

Regarding Mr. Maxon's other charge that the OPA has no policy, Mr. Brown replied that the agency's policy is "to bend every effort to comply with the direction of the Stabilization Act and maintain the general relationship and levels of prices and wages as of Sept. 15, 1942."

The Price Administrator also told his press conference on July 15 that the conditions laid down by Congress will be fully obeyed —including the ban on grade labeling and the prohibition after Aug. 16 of employing in policy-making posts those without business experience.

That the office of OPA will seek Congressional approval hereafter before starting any major rationing programs, was revealed by Mr. Brown on July 15 according to special Washington advices to the New York "Times" from Charles E. Egan, in which it was stated. OPA would put Congress on record for or against proposed plans, he said, by asking the National Legislature for funds to administer them.

"We'll go to Congress and say Donald M. Nelson, War Production Board Chairman, or any other war agency head who has the power to direct us to ration a given commodity, has instructed us to initiate a program," Mr. Brown stated. "We'll say 'Give us the money to do it!' If we get the funds, that will indicate that Congress approves."

Mr. Brown said that at present there were no major rationing programs under contemplation. There was a plan for rationing one commodity of minor importance to consumers, he added, but the administrative cost would be less than $2,500,000 and OPA had the funds to take care of it. He declined to specify what commodity he had in mind.

Pay On San Paulo Bonds

J. Henry Schroder Banking Corp., New York, as special agent, is notifying holders of State of San Paulo (United States of Brazil) 15-year 8% sinking fund gold bonds external dollar loan of 1921, 25-year 8% secured sinking fund gold bonds external loan of 1925, and 40-year 6% sinking fund gold bonds external dollar loan of 1928 that it has received funds to pay on or after July 12, 1943, 17.5% of the face amount of the coupons due Jan. 1, 1941, appertaining to these bonds. The advices in the matter states:

"Payment will be made in accordance with the provisions of Presidential Decree No. 23829 of Feb. 5, 1934, promulgated by the Federal Government of Brazil, as modified by Decree-Law No. 2085 of March 8, 1940. The amount of payment will be as follows: $7 for each $40 coupon and $3.50 for each $20 coupon with respect to the 8% loan of 1921 and the 8% loan of 1925, and $5.25 for each $30 coupon and $2.625 for each $15 coupon with respect to the 6% loan of 1928.

"The acceptance of these payments is optional with the holders, but pursuant to the terms of the Decree payment, if accepted, must be for full payment of the coupons and of claims for interest represented thereby.

"Holders of Jan. 1, 1941, coupons may obtain payment of the amounts prescribed upon presentation and surrender of the coupons for final cancellation at the office of the special agent, 48 Wall Street, New York.

"No present provision has been made for the unpaid interest on coupons which matured prior to April 1, 1934, but holders are advised to hold them for future adjustment."

Charges Renegotiation Is Needless Drag On Nation's War Effort

A strong indictment of the renegotiation of war contracts law is contained in a booklet just issued by the National Small Business Men's Association. The booklet is entitled "A Shorter War for Billions Less," and the author is Samuel B. Pettengill, former Congressman from Indiana. Mr. Pettengill has conducted a searching inquiry into the effect of renegotiation upon the war production effort and upon post-war reconversion and recovery in American business. He points out, in detail, the needlessness of the law itself, and the inequalities and uncertainties of its application by government agencies.

Mr. Pettengill maintains, in the booklet, that whatever reasons may have existed for the passage of the renegotiation law on April 28, 1942, they have largely disappeared through subsequent events, notably the passage of the Revenue Act of October, 1942, which considerably raised taxes on corporate incomes and excess profits, and the extensive knowledge acquired regarding industrial production costs and methods.

The author of "A Shorter War for Billions Less" presents a mass of statistics, reports from business men and other data to support his contention that, far from saving money for the government, the law adds greatly to the staggering cost of the war while seriously interfering with the production of the vital tools of battle.

The writer of the booklet admits that, on the surface, the renegotiators make quite a case when they point to "hundreds of millions of dollars saved." But, says Mr. Pettengill, the so-called saving is largely a paper profit, since most of what the renegotiators "save" is lost to the tax collector. Under existing tax and excess profits laws the government would have got back most of the "savings" if no renegotation law had been passed, claims the author.

To quote from the booklet: "Of $100,000,000 'saved' by renegotiation, the Government would have collected between $80,000,000 and $90,000,000 through existing tax channels. In the average corporation, taxes would collect at least 81% of the amount 'saved' by renegotiation in any case. So you can discount the claimed savings of renegotiation by 81% and from there up."

In the booklet, Mr. Pettengill also states:

"During a Senate hearing, counsel for the Price Adjustment Board of the War Department agreed that there were some 3,000,000 contracts affected by the law. Some business men estimate that the government will have to add 200,000 to the pay roll to carry out properly the mandates of the law. This is not only a dollar cost but a cost in manpower. . . . Industry also has to divert many thousands, and employ thousands more to do the paper work of renegotiation. This is probably a greater drag on the war effort than the cost of government auditors, comptometers, etc., as, in the case of industry, many of its top executives have to take time off from war production to prepare for renegotiation and argue its merits."

Reminding the reader that the government deals directly only with prime contractors, but that the renegotiation law applies as well to subcontractors and supply firms, of whom as many as 30,000 have been reported to serve a single prime contractor, Mr. Pettengill states: "When it is considered that all of these tens of thousands of contractors, subcontractors and supply men have to file their income reports with the Bureau of Internal Revenue anyhow, the duplication of effort and cost in renegotiation is seen to be enormous."

Among the many ramifications and intricacies of the renegotiation law touched upon by Mr. Pettengill are the effect of the example set by government in repudiating contracts, the liability to stockholders of corporate officers who permit renegotiation of contracts entered into prior to April 28, 1942, the penalizing of efficiency in war production, the lack of uniform interpretation and application by the four major agencies handling renegotiation, the unfairness of secrecy applied to findings, the cost to business of uncertain financial credits, and the dangers of having no cash reserves ready for post-war conversion and re-employment.

R. Forster Dies

Rudolph Forster, executive clerk in charge of the White House offices and an assistant to eight Presidents, died on July 7 in his apartment at the Wardman Park Hotel, Washington. He was 70 years old.

Mr. Forster, a native of the District of Columbia, had been a clerk in the White House since 1897 when he started his duties early in the administration of President McKinley. When Mr. Forster reached the statutory retirement age last Fall, President Roosevelt issued an executive order exempting him from its provision.

The President paid tribute to Mr. Forster's memory on July 7 in the following statement:

"For the work which made him a tower of strength in our White House organization, Rudolph Forster had unique gifts.

"His was an orderly and well-disciplined mind which made him intolerant of poor draftsmanship and alert in the detection of errors in the sheaves of public papers which it was his duty to scrutinize before they were passed on for approval by the Executive. He was unobtrusive, absolutely self-effacing, and entirely unselfconscious.

"A deep sense of duty underlay everything which he did, and the work of eight successive Presidents was safe in his keeping. The soul of courtesy in his dealings with all sorts and conditions of men, happily also he had a gift of humor which could enliven even the dullest of days. His passing is an irreparable loss to the White House, to the nation, and to his generation.

"My friendship with him went back to the Administration of Theodore Roosevelt. It was continued even more closely during the Wilson Administration, and when I returned to Washington on March 4, 1933, it was a great help and a happy thing to find an old and true friend still at the head of the White House offices.

"Rudolph Forster will live in the grateful and affectionate memory of all who knew him during his long and faithful tenure of office."

President Hopes Congress Will Restore Funds For Crop Insurance Program

President Roosevelt signed on July 12 the $848,295,883 Agriculture Department supply bill, but said that he "regretted exceedingly that Congress failed to provide funds to continue" the crop insurance program.

In a statement to the press after making the appropriation bill law, the President said:

"I certainly hope that when Congress returns from its recess, funds will be provided to continue this program which will mean so much to our farmers and at the same time enable agriculture to be placed on a more stable basis than ever before."

The Senate had at first been in favor of granting $7,818,748 for the Federal Crop Insurance Corporation to continue the programs on wheat and cotton but later yielded to the House's demand that only $3,000,000 be allowed for liquidation of the FCIC.

The FCIC program provides insurance against weather and other natural hazards to wheat and cotton crops and guarantees the farmer 50 to 75% of his average yield. Both premiums and indemnities are paid in the commodity insured. Congressional critics argue that losses have been so much heavier than premiums that the program does not work out on an actuarial basis; that it is "relief" rather than "insurance."

The President's statement on crop insurance follows:

"The Department of Agriculture Appropriation Bill, which I have today signed, provides no funds for continuing the crop insurance program. I regret exceedingly that Congress failed to provide funds to continue this aid to the farmers of the nation.

"One of the greatest obstacles which confronts the farmer in maintaining a stable income is the hazard of weather.

"The crop insurance program was designed to give the farmer protection against having his income wiped out or greatly reduced by unfavorable weather or some other disaster.

"This protection is needed by the small farmers, who in most instances have no financial reserve to tide them over until another crop can be made.

"The reason assigned for putting an end to crop insurance is that it was too expensive. It was to be expected that in perfecting a program of such magnitude the Government would have to go to much expense and it would take several years to give it a fair trial.

"I do not feel that the Department of Agriculture has been given sufficient time to demonstrate the practicability of crop insurance. Any program involving so many complications and such a great amount of educational work with the farmers cannot be placed on a sustaining or entirely satisfactory basis within a few years.

"When the Government first experimented with rural free delivery of mail there were those who said it was too costly and was not practicable. More recently when we began a program of rural electrification there were those who said it was not practicable and would prove too costly.

"These and other programs, which at first were declared not feasible, are now recognized as a great blessing to our rural population, and they have been made to work on a practical and satisfactory basis.

"If we can make crop insurance work, it will, in my opinion, prove one of the greatest steps ever taken by the Government toward making farming a sound and profitable occupation.

"Certainly in these times when the farmer is being urged to produce more and assume greater risks, we should not stop a program which is of such tremendous potential value to him.

"I certainly hope that when Congress returns from its recess funds will be provided to continue this program, which will mean so much to our farmers and at the same time enable agriculture to be placed on a more stable basis than ever before."

Small Business Group To Work With OPA

As a means of helping small business men to make adjustments to wartime conditions, George Harrison, President of the New York Unit of the American Business Congress, announced on July 12 the appointment of a Committee to act as liaison between small business and the Office of Price Administration. The committee membership will be composed of producers, wholesalers and retailers embracing over 50 individual industries and will also include lawyers, bankers and tax experts.

"The American Business Congress, an organization of small and intermediate sized businesses of all kinds, has long felt the need for a liaison between such businesses and the OPA," Mr. Harrison said. "This Committee will be able to study all problems presented to it by small business men. One of its objectives will be to straighten out minor misunderstandings which may develop in small businesses, without the need of referring them to OPA. In case the Committee is unable to make an adjustment the matter will be referred to the proper OPA authority. The Committee will carry on educational work through explaining OPA regulations to small business men."

Sylvan Joseph, OPA Regional Administrator, has approved the plan and promised that the District Offices of OPA in the New York region would cooperate wholeheartedly. In explaining the precedure of the liaison group, Mr. Harrison said that all cases received by it will be referred to study and possible action to a sub-committee consisting of one member of the industry involved, and two members of the general committee. Mr. Harrison invited businessmen to present their OPA problems to the American Business Congress at its 25 West 43rd St. offices in New York. The Committee will hold in confidence all information received by it, as well as the names of individuals and corporations. Cases will be referred to by number. The services of the Committee will be on a volunteer basis.

Framework Of N. Y. State War Finance Group Announced — 500,000 Salesmen Needed

Completion of the geographical framework for the biggest sales campaign in New York's history, designed to place war bonds in the hands of 8,000,000 to 10,000,000 residents of the state during the Third War Loan drive in September, was announced on July 12 by W. Randolph Burgess, chairman of the War Finance Committee for New York State. An army of 500,000 war bond salesmen is being recruited for the task between now and the opening of the drive, Sept. 9.

The September drive will be directed primarily to individuals. There are already 5,000,000 individual buyers of War Bonds in New York State through payroll savings plan and otherwise. The aim of the Third War Loan drive will be not only to enlist several million additional buyers but to attempt to double the size of the average purchase, Mr. Burgess said. He also stated:

"For every fighting man there should be ten bond buyers here at home. With ten million men in the armed forces, many of them even at this moment engaging the enemy, almost every man, woman and child in civilian life should be a systematic and regular buyer of War Bonds. There are few people in the country who cannot afford to buy some bonds. The organizational framwork of the Third War Loan drive will reach down into every town and hamlet in the state."

The State of New York has been divided into ten districts, five of them grouped into an Upstate Region and five into a Downstate Region. Edward H. Letchworth, Buffalo attorney, has been appointed by Mr. Burgess as Chairman of the Upstate Region, a position he held in the former War Savings Staff organization. Lewis E. Pierson, former Chairman of the Irving Trust Co., has been named Downstate Chairman. He occupied the same position with the War Savings Staff.

The Upstate Region under Mr. Letchworth will include the 48 Northern and Western counties. The Downstate Region will comprise Dutchess, Ulster, Sullivan, Orange, Putnam, Rockland, Westchester, Nassau, Suffolk and the five counties composing the boroughs of the City of New York. Both the Upstate and Downstate Chairman will report directly to Nevil Ford, Executive Manager of the War Finance Committee for New York State.

Mrs. Edward H. Cumpston of Rochester and Miss Dorothy Wakerley of Albany, have been appointed Vice-Chairmen for the Upstate Region to supervise and coordinate women's activities. Thousands of women workers are expected to be enlisted in the coming drive. Mrs. Courtlandt D. Barnes has been appointed Vice Chairman with similar duties for the Downstate Region.

In each district a complete county organization has been set up. The work will be divided into functional divisions including Banking and Investment, Payroll Savings, Commerce and Industry, and Community. While the county organizations in New York City will develop plans and sales methods for the use of their areas, the principle of local autonomy will prevail and each area will be free to adapt the program to its own particular requirements, Mr. Burgess said.

Although the beginning of the drive is still nearly two months distant, the Chairman explained, the organization will begin making a special canvass during July with the object of increasing payroll savings bond buying, especially in industries where weekly wages have been substantially increased since the war began.

Emphasizing the need of united effort to assure the drive's success, Mr. Burgess said:

"As far as the sale of War Bonds is concerned there will be no distinction between the sales force and the potential buyers. In other words, the volunteer bond salesmen will also be bond buyers and we hope that everyone in the State will commission himself as a volunteer salesman in this huge undertaking, which not only is a task of patriotism and thrift but also highly important as a check against inflation. The more dollars that are put into War Bonds the fewer dollars there will be jangling in our pockets and potentially competing for a dwindling supply of civilian goods.

"For New York State to do its share in this program, calls for a united effort surpassing anything the people of this state have ever attempted. It calls for thorough organization of every community so that all will be reached. To get to all of New York's population of 14,000,000 we will need an army of bond salesmen twice as big as that used in the April drive —500,000 at least."

Charges President In Favor Of "Union Now" With Great Britain

In a general attack against super-world government, Stephen A. Day, Illinois Republican Representative-at-large, charged on July 9, that President Roosevelt is holding in abeyance a plan for Union Now with the British Empire. Only public opinion is holding up the scheme, added Mr. Day. The President, asserted the Congressman, will disdain Congress if he decides to go through with it.

Mr. Day spoke in Chicago at a meeting of the Citizens U. S. A. Committee.

In the Chicago "Daily Tribune" of July 10, his remarks were reported as follows:

"I am satisfied," said Mr. Day, "that the President is delaying Union Now with Great Britain only because of the doubt in his mind that the people will accept it. He is convinced that he has the power by executive agreement to join with Britain, and he does not intend to submit the question to either the Senate or the House.

"He has been advised that he has the power under the new construction of the Constitution developed in the State Department, and silently approved by the new Supreme Court.

"Union Now would split America asunder. If you want to see another 1776 war for independence, just succeed in fastening the chains of Union Now upon the wrists and ankles of the American people."

"If England and Russia want a United States of Europe after the war, that is their privilege, but America wants no part of it," continued Mr. Day. He predicted that Russia will be the dominant power in Europe after the war, and said that America must remain politically independent—and alert.

The Congressman outlined several proposals which have been advanced for a broadened American role in world politics after the war. He branded them as schemes to evade Constitutional processes which ultimately would break down our two party system and create a one party system. "Then we will become a constituent part of one world, tearing up our Declaration of Independence and our Constitution as waste paper," he asserted.

Tells Chinese Promises Of Help Are Being Borne Out

President Roosevent extended the "heartfelt greetings" of the United States to the people of China on July 7, the sixth anniversary of their resistance to the Japanese. The President's message was broadcast by short-wave from San Francisco to Chungking and was followed by excerpts from former addresses by Mr. Roosevelt in his own voice.

The President also sent a telegram congratulating Generalissimo Chiang Kai-shek on his "outstanding leadership" and noting the "valor and sacrifices of the Chinese people in the cause of freedom."

Mr. Roosevelt's message to the Chinese follows, according to the United Press:

"To the people of China:

"This day marks the end of the sixth year of the heroic defense of your soil under the leadership of the great Generalissimo Chiang Kai-shek. I send you, the people of China, the heartfelt greetings of your partners, the people of the United States.

"Our friends have long known what our enemies are learning today, that the promises of the United States are always kept and our pledges are always redeemed. The statements which follow have been made by me at various times since we joined hands with you in this war. It is good to know that the hopes and the promises I expressed on these former occasions are all being borne out today.

"The President quoted former speeches in which he had spoken of the gallant fighting effort of the Chinese and repeated what he had said one month after Pearl Harbor, that 'powerful and offensive actions must and will be taken in proper time' implying that the new offensive in the southwest Pacific is at least one phase of the promised attack on Japan.

"He reminded China that on April 28, 1942, he said, 'ways will be found to deliver airplanes and munitions of war.' The people of Chungking had only to look skyward to see the first step in the fulfillment of that promise—the air transport route from India—bringing in precious, though limited, supplies.

"On Feb. 12, 1943, Mr. Roosevelt told the Chinese that 'our policy toward our Japanese enemies is a policy of fighting hard on all fronts and ending the war as quickly as we can on the uncompromising terms of unconditional surrender.'

"Finally, as encouragement to China to have faith that her long fight will be rewarded, the President quoted his words to Congress on Jan. 7, 1943: 'From this war, China will realize the security, the prosperity and the dignity which Japan has sought so ruthlessly to destroy.'"

Following is the text of the President's message to the Generalissimo:

"Six years ago today, July 7, 1937, the Japanese launched at Lukouchiao a new and brutal attack on China. Under your outstanding leadership the Chinese armies and people immediately rose to the defense of their country, and for six years they have used every weapon in their power to strike back ceaselessly at the wanton aggressor.

"The valor and sacrifices of the Chinese people in the cause of freedom have inspired the people of the United States. We know, as you do, how much must be done before the enemy is crushed and peace and justice are established throughout the world. Our people are joined in a common cause. Our arms are mounting, our strength is rising, our determination stands firm, and our triumph is inevitable.

"FRANKLIN D. ROOSEVELT."

Mullenix Urges Clarification Of Future Role Of Public Vs. Private Housing

While Senator Wagner's bill contemplating the rebuilding of urban decayed and blighted areas is probably the most important legislative proposal yet made along these lines, neither it nor any other plan is likely to succeed until the future role of private housing as against public housing has been clarified, according to a statement issued July 10 by Charles A. Mullenix, President of the Mortgage Bankers Association of America, to the group's mebers.

"The bill's principal merit," Mr. Mullenix said, "is that it recognizes that any really important success in rebuilding close-in, blighted city areas must being by acquiring very large tracts of land. This has always been the main stumbling block to similar efforts. "Yet the fact must be faced that most of those in this country who can make great contributions to urban rehabilitation are greatly concerned over the constantly increasing activities of the so-called 'public housers' who seem convinced that the government must build most of the future housing."

Mr. Mullenix states that the Wagner bill calls for Federal loans to cities to acquire large tracts of city land to be cleared and then sold or leased to private builders who would build whole new sections in conformity with a general city plan (referred to in June 24th issue, page 2388). Sponsors declare that for every dollar of Federal money put into the project there will be five dollars of private money drawn into it. The Association expects to explore further the trends in public housing at its 30th annual meeting in Chicago Sept. 23, 24, and 25.

Mr. Mullenix repeated his recent sugestion that a principal move the Federal government could make at this time which would show that the often-emphasized opinions of Federal officials that private housing with them comes first, would be to turn over to private management companies the public housing projects which it has built.

He added "while the Wagner bill a least makes a step that we realize is the first step—acquisition of land for urban rehabilitation—the nation must be given a far clearer understanding of whether the government plans to do a major part of post-war construction in this class or whether it is going to give private enterprise a chance.

Taft Says Congress No Longer 'Rubber Stamp'; Hails Recall Of Powers And Independent Status

Senator Taft, (Rep., Ohio) said on July 10 that "the most encouraging thing about this Congress" was its "assertion of independence" and its departure from what he called "rubber-stamp" habits. Addressing members of the Alabama Bar Association, at Birmingham, Mr. Taft said "cooperating with the President on every war question, Congress has differed with him on almost every domestic policy."

His remarks were reported as follows by the Associated Press:

"Wherever possible, it is recalling the powers delegated to the President by subservient Congresses. It repealed this year his arbitrary power to devalue the dollar. It rejected his $25,000 limit on salaries, largely because this limit was imposed without legal authority, in defiance of a declared policy of Congress.

"Certainly this Congress is no rubber-stamp Congress."

Mr. Taft added that the lawmakers had given the Army and Navy everything they asked, and possibly had erred on the side of generosity. "Much Army and Navy money is wastefully spent," he observed. "Most of the vast horde of Federal civilian employes are employed by the Army and Navy. But, if an Army or Navy officer appears before Congress and asks for money for war purposes, it is impossible to be parsimonious, and difficult to determine exactly the sum which is really necessary."

In abolishing part of the functions of Elmer Davis's Office of War Information, the Senator noted, Congress did not touch the Bureau's foreign branch. It appears to be "full of crackpots and incompetents and Communists," he said, but it was felt that the propaganda sent abroad might be of some help to the armed forces.

Nevertheless, he praised the decision to cut off activities of the OWI's domestic branch which, he declared, "scattered leaflets and propaganda ostensibly to assist the war, but actually to assist a fourth term."

"If we are going to maintain free speech in this country, we do not need Federal propaganda. The newspaper men at the Capitol are fully able to transmit to the people everything the government does or has to say."

Even now, he said, Congress is looking forward to a post-war program, the first essential of which, he said, must be sound finance.

"If wise men administer the fiscal affairs of the government," Mr. Taft predicted, "I believe the business cycle, with its recurrent depressions, can be largely eliminated."

Fed. Farm Products Distribution Bill Killed By President

President Roosevelt on July 17 pocket vetoed a bill which would have required Federal agencies which distribute seeds, livestock and poultry feed, nursery stock, fertilizers and soil conditioning material to comply with State inspection laws. The bill excepted fertilizer distributed by the Tennessee Valley Authority for experimental purposes.

Since Congress has adjourned until September and the President did not act in the ten days allotted to him, the measure fails to become law.

According to Associated Press Washington advices of July 17, the President expressed himself as follows in withholding his approval of the bill:

"If additional controls are necessary to insure the quality of the materials distributed by Federal agencies, the Congress should prescribe them.

"The granting to the Legislatures of each of the 48 States of the power to regulate and, indeed, to veto a constitutional program of the Federal Government would constitute a sharp departure from precedent and a departure which I consider dangerous and unwarranted."

The President said one of the primary objectives of Congress in creating the TVA was to insure the distribution to farmers of low-cost, high-quality fertilizer. He said the proposed requirement that fertilizer distributed for other than experimental purposes comply with State laws and pay State inspection fees would "seriously hamper the Authority's program, since it would, in effect, permit the States to regulate the manufacture of such fertilizer."

Agricultural Department General Crop Report As Of July 1, 1943

Generally good yields on the largest acreage in 11 years were forecast on July 9 by the U. S. Crop Reporting Board on the basis of July 1 conditions.

The estimates point to an aggregate crop production in 1943 which seems likely to be about 114% of the 1923-32 average, compared to the phenomenal showing of 126% in 1942. For the 5 years 1937-41, the similar combined figures averaged 108%. The 1943 figures allow for crops not yet planted or not yet estimated and for normal losses from drought and other causes. At the present time growing conditions appear to be favorable in all except a few States and there is reason to believe that the tendency towards an improvement of crops has continued into July.

Crops have finally been planted on a slightly increased acreage but are off to a late and uneven start. In most States from Missouri, Iowa, and Minnesota, eastward to Pennsylvania and New York, crops are late and prospects are reported as less favorable than at this season in any of the last 5 years. Crops not irrigated are also poor in the drought area in the Southwest. Elsewhere prospects range mostly from fair to good but only 9 scattered States report current crop conditions equal to the highly favorable outlook at this time last year.

Farmers generally are doing their best. Notwithstanding the floods, the late spring and the disturbing readjustments of wartime, the harvested acreage of the 52 principal field crops is expected to be close to 347 million acres, compared with 340 million last year, and the 1932 peak of 362 million. The acreages of crops other than cotton may even exceed the pre-drought peak. The acreage in corn has been increased 5 million acres or more than 5% over the acreage last year. The aggregate area in 7 "war crops" shows an increase of nearly 5 million acres, the increases over last year including: flaxseed 1,400,000 acres or 33%, soybeans 1,200,000 acres or 8%, peanuts 600,000 acres or 14%, beans 600,000 acres or 29%, dry peas 220,000 acres or 47%, potatoes 650,000 acres or 24%, and sweetpotatoes 220,000 acres or 30%. Other important acreage increases over last year include sorghums 9% and tobacco 7%. The acreages of cotton, barley, and rye were each reduced between 1 and 3 million acres, partly to make needed increases in other crops; and sugar beets, affected by both the shortage of labor and the demand for other crops grown on irrigated land, were reduced 37%. The acreage of watermelons and cantaloups, classed by some as non-essential luxuries in wartime, was reduced 31% and other vegetables grown for market were reduced about 4%, chiefly because of late frosts, excessively wet weather and the difficulty on both coasts, in obtaining labor at wages farmers were able or willing to pay.

Because of large increases in acreages, a number of crops seem likely to far exceed production in any past year. Bumper crops of dry beans, peas, peanuts, flaxseed, rice, potatoes, and sugar cane are to be expected. Near-record crops of hay, soybeans, and barely seem probable and sorghums for grain may approach previous high records if there is rain enough to permit planting the full acreage planned. Wheat was favored by good rains in the northern part of the Belt and the forecast is 8% above expectations a month ago. Allowing for usual losses the probable production is placed at 791,000.000 bushels which would be close to average production, excluding the drought years, but far below the near-record crop of 981,000,000 bushels last year and the large crop of 943,000,000 bushels in 1941.

The forecast for corn is 2,707,000,000 bushels which would be much below the 3,175,000,000 bushels harvested last year but slightly larger than other corn crops since 1932. Oats show good promise for this early in the season and the forecast of 1,242,000,000 bushels indicates a large crop, though below the exceptional crop of last year.

Combining the forecasts of corn, oats, barley and sorghums for grain the aggregate tonnage of the 4 feed grains seems likely to total about 107 million tons compared with nearly 124 million last year, 106 million in 1941, and usual production, excluding the drought period of 95-100 million tons.

The area in cotton is just under 22 million acres, a reduction of 5.4% from last year and the smallest cotton acreage in more than 40 years, but the crop is mostly well cultivated and appears to have had a favorable start. Tobacco shows prospects for about an average crop, nearly 1.4 billion pounds.

Wheat stocks on farms July 1 were 190,000,000 bushels, 2% more than holdings on that date last year and double the farm holdings at the same season in any of the previous 15 years for which records are available.

Stocks of other grain on farms July 1 included some 813,000,000 bushels of corn and 236,000,000 bushels of oats. Allowing for some barley and grain sorghums on farms the total of feed grains was probably about 28.6 million tons, not much above average July stocks in the last 4 years but about 10 million tons above what might be called a normal reserve for feeding present numbers of livestock until new corn is available. If it is assumed, for preliminary calculations, that there will be a 10 million ton reduction in farm stocks before next July and that production of feed grains this season will be about 107 million tons, as now estimated, the quantity of these grains indicated to be used during the current 12-month period would be 117 million tons or about 4% less than the farm disappearance of feed grains during the past 12 months. In contrast to this prospective reduction, the number of livestock units is about 10% greater than at this time last year and is increasing. Prospects may change materially as the season advances but present indications are for a 12-month disappearance of 88% as much feed grain per unit of livestock as was used for all purposes last season or about 93% as much as during the 5 previous feeding years since the droughts. The effects of the prospective reduction in the supply of feed grain per unit of livestock may be modified by changes in the quantities of millfeed, oil meal, wheat, other grains, soybeans and imported grains fed, but a harvest no larger than is now indicated would necessitate some changes in the rates of feeding and presumably some adjustments in either the numbers or weights of meat animals or poultry.

Supplies of hay and roughage appear likely to be ample in the country as a whole and seem to be well distributed but local shortages may develop in parts of the West and Southwest where rainfall has been lacking or where livestock has been increased. Allowing for hay supplies carried over and for the prospective increase in the number of cattle, supplies of hay per unit of livestock are expected to be nearly as large as during the last 5 years and larger than in other years since 1927. Pastures were not quite as good on July 1 as at that time last year but they were much better than in most recent years and some of the areas that were dry on July 1 have had good rains since the first of the month.

The condition of Western ranges on July 1 was about equal to the long time average for the date. Prospects were favorable in the North but rain was urgently needed in a large southwestern area that included New Mexico and Arizona and extended into adjoining States.

For 7 of the major deciduous fruits (peaches, pears, grapes, cherries, plums, prunes, and apricots) the aggregate production in prospect for 1943 is 12% less than in 1942 and 6% below the 10-year (1932-41) average production. July 1 condition of commercial apples (the first forecast of the season will be made August 1) points to a decrease in the 1943 apple crop somewhat similar to the decline in aggregate production of the 7 crops for which forecasts have been made. Apricots, peaches, cherries, and pears will be in much smaller supply than in 1942 and considerably below average. Plum production in California and Michigan is about average. Prune production on the Pacific Coast and in Idaho is 10% larger than in 1942 but is a little below average. A large crop of grapes is in prospect, the increase partially offsetting decreases in other fruits.

Conditions remain favorable for an aggregate tonnage of citrus fruits from the bloom of 1943 which will start to market in November, about in line with the large production during the 1942-43 season (from bloom of 1942). Prospects appear excellent for the new crops of oranges and lemons but not quite as good for grapefruit as in 1942-43. Conditions of tangerines is materially below that of 1942.

A production of citrus fruits in 1943-44 about as large as in 1942-43 would compensate for some of the decrease in deciduous fruits and would bring the total tonnage of all fruits for marketing during the 1943-44 season within 6 or 7% of the supply for 1942-43.

Truck Crops—The total acreage of commercial crops to be harvested for marketing fresh and for processing in 1943 may be about 3,509,500 acres, 4% less than in 1942 when 3,643,700 acres were harvested. An increase of about 1% in the acreage to be harvested for processing is more than offset by a reduction of 9% in the fresh market acreage. The fresh market acreage is 11% below the 10-year (1932-41) average and the smallest since 1933, when 1,522,600 acres were harvested. Excluding cantaloups and watermelons, however, the fresh market acreage was reduced only 4% from that of last year and is only slightly below the 10-year average. Acreage to be harvested for processing, assuming that abandonment and diversion to other uses of planted acreage will be about the same as in 1942, sets a new high record slightly above that established in 1942.

Total production of commercial truck crops for the fresh market in 1943 is expected to be about 11% less than in 1952, but about 1% above the 1932-41 average, based on the outturn of crops which have already been harvested and July 1 condition in later sections. Excluding cantaloups and watermelons, however, 1943 production may be only 8% below that of 1942 and about 10% above the average. Compared with last year, production is expected to be less than in 1942 for most crops. Snap beans, carrots, and tomatoes are the only crops showing material increase this year over last.

Conditions on July 1 indicate a 1943 production of 454.370 tons of green peas for processing compared with 424,010 tons for 1942 and a 10-year (1932-41) average of 229,570 tons. A record high production of 247,870 tons of snap beans is in prospect for 1943. This compares with 234,800 tons for 1942 and an average annual production for the 10-year (1932-41) period.

Corn—July 1 prospects indicate a 1943 corn crop of 2,706,552,000 bushels. This is 469,000,000 bushels or 15% smaller than the record 1942 crop of 3,175,154,000 bushels, but is 357,000,000 bushels above the 10-year (1932-41) average of 2,349,267,000 bushels. The 10-year average, however, includes the two drought years, 1934 and 1936, when total production was 1,448,920,000 bushels and 1,505,689,000 bushels, respectively.

The indicated yield is 28.7 bushels compared with 35.5 bushels in 1942 and 24.9 bushels, the 10-year (1932-41) average. The acreage for harvest is 94,297,000 acres, nearly 5,000,000 acres above the acreage harvested in 1942 and only 214,000 acres below the 10-year (1932-41) average acreage of 94,511,000 acres.

The corn crop made a late start in the northern half of the country. Planting, delayed materially by cool and rainy May weather and by intermittent rains during June was from one week to more than a month late in much of the Corn Belt and in the North Atlantic States. The delay was most serious in Ohio, Michigan, Pennsylvania and New York, where unfavorable wet weather prevented farmers from fully carrying out their intentions to plant corn in 1943. Further setbacks, as a result of heavy rains and floods, were experienced in Missouri, Illinois, and parts of Indiana, Kentucky, Iowa and Nebraska. Much replanting was necessary, some being done as late as July 1.

Corn was making fairly good progress in southeastern South Dakota, most of eastern Nebraska, the northern two-thirds of Iowa, extreme southern Minnesota, and northern Illinois and in the important corn districts of Wisconsin, although even in this area stands were somewhat spotted, irregular, and at widely varied stages of growth. North and west of this area progress was slow, particularly in North Dakota, while to the immediate south excessive rains and floods resulted in only poor to fair prospects on July 1. While planting was delayed in the eastern Corn Belt States, corn germinated quickly and was making good progress, but still behind schedule. Lack of sufficient rainfall caused corn prospects to decline somewhat during June in some South Atlantic and in South Central States east of the Mississippi but above average yields are still indicated. In most of these States June was too dry for the best development of the crop and indicated yields are lower than last year. In Oklahoma and Arkansas the crop was damaged by floods, but in Texas early June rains were beneficial and the crop promises an above-average yield, even higher than last year. In most of the western States the crop is late, early growth being retarded by cool weather.

The total acreage planted to corn in 1943 is 96,818.000 acres, the largest since 1937. This acreage is 6% above the 91,011.000 acres planted in 1942. The U. S. total is little different than intended in March and is below the 100,000,000 acres requested by the Department when the corn acreage allotments were lifted. Abandonment for 1943 is estimated at 2.6% compared with 1.7% in 1942 and 4%, the 10-year (1932-41) average.

The 1943 acreage for harvest of 94,297.000 acres is 5% larger than the 89,484.000 acres harvested in 1942 and is the largest since 1935. A substantial increase in acreage is indicated for the Corn Belt, particularly for the western Corn Belt States. Lifting of restrictions on corn acreage in the commercial corn area by the Department and the need of feed for a large livestock population has prompted the increase in acreage. The acreage in the North Atlantic States is just slightly below that of last year. A 3% increase in Pennsylvania was not enough to offset the decrease in New York. Most South Atlantic States have increased corn acreage but the acreage is smaller in the South Central States despite larger acreages in Kentucky and Tennessee. In most western States the acreage is smaller than last year.

Farm stocks of corn on July 1 were 812,692,000 bushels, about 51,000,000 bushels larger than the 761,363,000 bushels on farms a year ago, but were 262,000,000 bushels above the 10-year (1932-41) average of 550,754,000 bushels. Farm stocks were only about 34,000,000 bushels below the record high stocks held on July 1, 1939, and July 1, 1940. The disappearance of corn from farms during the second quarter of 1943 totaled 582,420,000 bushels, the largest on record, and more than 54,000,000 bushels above the previous record disappearance of 528,225,000 bushels during the corresponding quarter last year. The 10-year (1932-41) average disappearance for the period is 384,326,000 bushels.

Wheat—Yield prospects for winter wheat improved during June in some of the important producing areas and the total wheat crop of 790,823,000 bushels this year is 19.4% less than the large crop of 1942 but is 7% more than the 10-year (1932-41) average. Spring wheat developed rapidly and improvement has been general. The gain in the production prospect of all wheat during the month has been 60,000,000 bushels.

The crop of 519,190,000 bushels of winter wheat is about one-fourth less than the 1942 crop and is 5.6% below the 10-year average. Spring wheat is carrying the burden to a considerable degree this year, with total production estimated at 271,633.000 bushels compared with 278,074,000 last year. As now estimated this year's crop is 44% more than the 10-year average. Durum production, at 32,549.000 bushels, is 27% less than the 44,660.000 bushels produced last year but is close to 21% above average. Production of other spring wheat is indicated at 239,084.000 bushels, the largest since the 240,000,000 bushel crop of 1928. and exceeded in only 1927 and 1928.

July 1 indicated yields do not attain the record levels of 1942. The winter wheat yield of 15.3 bushels per acre, while above average, is 4.4 bushels less than last year. The spring wheat yield of 17 bushels is 3.2 bushels below the record of 20.2 in 1942, but equals the second yield of record in 1941. The yield of durum is 16 bushels compared with 21.2 per acre last year, and the yield of other spring wheat is 17.1 bushels compared with 20 bushels in 1942. Yields of winter wheat were reduced below expectations in Oklahoma with the total effect of unfavorable weather, freezes and insects becoming more apparent with harvesting. Some improvement occurred in western Kansas but some further losses and reduced yields became apparent in the central eastern and southeast sections, resulting from the floods and high water. Rust was not a major factor in winter wheat yields this year although reported in scattered areas.

Growing conditions through the important spring wheat States were good to ideal as June ended. With plenty of soil moisture, prospects were good for the late developing wheat in Montana and Washington. Rust and heat damage possibilities appear to be past except in the most northern areas.

Stocks of old wheat on farms July 1, amounting to 190,034,000 bushels, established a new record for that date, being 16% greater than the former record of 163,700,000 bushels on July 1, 1942. The current stocks are nearly 3 times the 10-year average of 65,981,000 bushels for July 1. Such stocks include wheat stored on farms under Government loan.

The 49,883,000 acres of wheat indicated for harvest in 1943 is about 1% more than the 49,464,000 acres harvested last year, but is 9% below the 10-year (1932-41) average of 54,572,000 acres. The acreage of winter wheat for harvest is 33,859,000 or 5.1% less than the 35,666,000 acres harvested last year.

Acreage of all spring wheat remaining for harvest is 16,024,000 or 16.1% more than the 13,798,000 acres harvested in 1942. Durum wheat acreage for harvest is 3.5% less than last year while other spring wheat acreage has increased 19.7%. The indicated acreage for harvest of durum is 2,035,000 and of other spring 13,989,000 acres.

With limitations on seeding of spring wheat removed and a generally favorable seeding period, the planted acreage is 16,677,000 acres, or 17.5% more than in 1942. This acreage is still considerably lower than the 10-year average of 20,933,000 acres. The season for the most part has been favorable for rapid recovery from the late start in the important spring wheat States. Although the early spring was dry and delayed the spring wheat crop in South Dakota through May, subsequent rains have brought rapid development in this State.

Winter wheat has suffered less than usual acreage losses for the country as a whole, although abandonment has been quite heavy in important soft wheat producing States, the Pacific Northwest, Montana, New Mexico, and some other States with smaller acreages. Some further loss of acreage occurred from floods in Missouri and Kansas during June. Spring wheat abandonment of 3.9% is somewhat greater than in 1942 although it is only one-fifth of average.

Oats—Production of oats in 1943, indicated at 1,242,255,000 bushels on the basis of July 1 acreage and conditions, is 8.6% below the large 1942 crop, but 22% above the 1932-41 average. The improvement in prospects amounted to 6% since June 1. A shift in oats acreage from higher to lower yielding areas together with less favorable growing conditions in most East North Central States, has resulted in a lower U. S. yield than in 1942. The indicated yield of 32.7 bushels is 3.2 bushels below that of 1942, but 4.6 bushels above the 10-year average. Prospective yields have improved since June 1 in most North Central and Western States, but declined in most Southern States. Yields are above the 10-year average in nearly all States except in New York and Michigan where the effect of the early unfavorable season is still felt and in Oklahoma and Texas where insect and frost damage occurred.

Total seeded acreage for the 1943 crop was 42,654,000 acres, only 8,000 acres below the 1942 total, but 3% above the 10-year average. It is only 16,000 acres above the March prospective planting estimates. Large increases in seedings occurred in most West North Central States, owing to the low labor requirements of this crop and the need for more livestock feed. Prospective diversion and abandonment of seeded acreage is indicated at 11%, which is about the same as in 1942. Some of this loss is due to severe greenbug damage in Oklahoma and Texas and freeze damage to fall sown oats in Southern States; while part is diversion of seeded acreage for hay, grazing and plowing under after serving as a winter cover crop.

The 37,944,000 acres of oats indicated for harvest in 1943 barely exceeds the acreage harvested last year, but is 5.5% above the 1932-41 average. Reductions from last year's acreage occurred in the important States of Iowa, Missouri, Illinois and Ohio, where corn and soybeans competed for the acreage; in Michigan and Northeastern States, where planting difficulties were encountered, and in Pacific Coast and most Western States, where diversion for hay was heavy. In a few other States, such as Georgia, Alabama and Arkansas seeded acreages had been reduced. Increases in the other North Central and Southern States, however, more than offset the reductions in acreage for harvest.

Farm stocks of oats on July 1 are estimated at 236,444,000 bushels, 23% more than one year ago and 46% above the 10-year July 1 average. Disappearance during the quarter, April 1 to July 1, of 271,764,000 bushels was the largest on record for that period. To have larger stocks in the face of record disappearance is possible because of the exceptional 1942 production.

Barley—The acreage sown to barley in 1943 is estimated at 17,893,000 acres. Although this acreage is 8% smaller than the all time record of 19,448,000 acres sown in 1942, it is nearly 29% larger than the 10-year (1932-41) average and its the second largest acreage ever devoted to barley. Very sharp decreases in acreage occurred throughout the Corn Belt States where seeding was discouraged by weather conditions in some areas and disappointing yields in 1942 in others. Rather sharp increases occurred in Washington, Montana, Wyoming, and North Dakota. With the exception of these Northwestern States and the Corn Belt, increases and decreases in sown acreage were moderate.

With a fairly normal abandonment and diversion, the acreage to be harvested for grain is estimated at 15,106,000 acres. This acreage is about 10% below the record of 16,782,000 acres harvested in 1942 but is 36% larger than the 10-year (1932-41) average of 11,120,000 acres.

The prospective production on July 1 is 353,982,000 bushels which is about 72,168,000 bushels or 17% smaller than that of 1942, but still the second largest on record.

The United States average yield per acre indicated on July 1 is 23.4 bushels as compared with an average of 25.4 bushels in 1942. Prospective yields in the important barley States of North Dakota, South Dakota, Nebraska, Minnesota and California average 2.3 bushels below those of 1942.

Rye—The 5,933,000 acres sown to rye in the fall of 1942 was somewhat smaller than the acreage sown in the fall of 1940 or 1941 and about 3% smaller than the 10-year (1931-40) average fall sowings. Reduced sowings were at least partially a result of delay in progress of farm work last fall. This was particularly true in North and South Dakota, the leading rye producing States. Decreases were common among all States and quite sharp in the leading rye producing States.

The percentage of the sown acreage which was abandoned or diverted to pasture, hay and other non-grain uses was unusually large. As a result of the decrease in sown acreage along with a large increase in abandonment and diversion, the acreage to be harvested for grain, estimated at 2,875,000 acres, is 25% smaller than the 3,837,000 acres harvested in 1942 and is 13% smaller than the 10-year (1932-41) average of 3,293,000 acres harvested.

The production of rye, forecast at 33,562,000 bushels, is expected to be less than 59% of the 1942 production. Although the drop in production is largely accounted for by the smaller acreage the prospective yield in 1943, estimated at 11.7 bushels per acre, is considerably below the yield of 14.9 in 1942. Yield prospects showed little change from a month ago except in South Dakota, the leading rye producing State, where the prospective yield per acre is now 5 bushels higher than on June 1.

Potatoes—A big crop of potatoes is expected this year. The area of 3,363,100 acres for harvest is 24% over 1942 and 7% more than the 10-year (1932-41) average. All sections of the country report larger acreages than last year. Of the important late States, Idaho shows an increase of 45%, North Dakota 32%, Michigan 30%, Wisconsin 27%, California 26%, Minnesota 24%, Nebraska 25%, Maine 23%, New York 16%, Colorado 15%, and Pennsylvania 12%.

Potato production for the United States is placed at 434,942,000 bushels, which is 17% more than the 1942 harvest and 20% more than the 10-year (1932-41) average. The indicated yield of 129.3 bushels is below the 1942 yield of 136.9, but above the 10-year average (1932-41) of 116.9.

In most of the 30 late States the July 1 condition and acreage indicate a larger total production than in 1942. Notable exceptions are Minnesota, North Dakota, and Colorado, where the 1942 season was unusually favorable. Production for the 30 late States is estimated at 333,333,000 bushels, which is 46,000,000 bushels, or 16% over the 1942 harvest. Idaho conditions point to a harvest about 15,000,000 bushels more than last year, Maine 10,000,000, and Wisconsin about 4,000,000. Of the other important late States, New York, Pennsylvania, Michigan, Nebraska, Washington, Oregon and California show from two to three million bushel increases.

The harvest of potatoes in the 12 early States is nearing completion. Total production in these States is estimated at 66,438,000 bushels, which is a 25% increase over the 53,331,000 bushels harvested in 1942. In sharp contrast to the very short supplies of potatoes in the winter and spring months, potatoes are now in plentiful supply.

Production in the seven intermediate States, estimated at 35,171,000 bushels, is 14% larger than the 1942 harvest of 30,765,000 bushels. Floods caused abandonment of acreage and a reduction in yields on the acreage harvested in Kansas and Missouri and total production in these States is below that of last year. The New Jersey crop of 12,567,000 bushels is 24% above the 1942 harvest.

In the Northern States, preparation of ground and potato planting was delayed by wet weather and an unusually large proportion of the acreage was planted in June and early July. Many early plantings were damaged by excessive moisture which caused the seed to rot, resulting in poor stands. In general, the late crop made good progress to July 1 but owing to late planting was not as far advanced as usual. In many areas, a late fall with favorable weather will be needed to mature and harvest the crop on the increased acreage.

In general, insects and diseases were under control and no serious infestation of late blight had been reported up to July 1. High temperatures the last of June are reported to have reduced yield prospects on Long Island. In Aroostook County, Maine, late June rains interfered with cultivation and fields were somewhat more weedy than usual. In Idaho, the crop is making favorable progress. Yield prospects in Colorado are variable with a prospective yield per acre materially lower than the high yield of 1942. In the Pacific Coast States, present growing conditions are favorable and good yields are indicated. The indicated yield in Oregon, however, is lower than in 1942, because a large part of the increase in acreage is located in lower yielding areas and because of some damage from late frosts.

Roberts Heads OWI Advisory Committee; Seven Principles Of News Policy Listed

Roy Roberts, Managing Editor of the Kansas City "Star," has been elected chairman of the new advisory committee set up by the Domestic branch of the Office of War Information.

The group, appointed immediately after Palmer Hoyt, Publisher of the Portland "Oregonian," took over as Domestic Director of the war information agency, stated its conviction that "OWI does have a real function in the prosecution of the war."

The advisory group held its first meeting in Washington on July 13, considering what course it should take and hearing from members of the OWI staff. At the close of the meeting it issued the following statement of preliminary findings according to Associated Press accounts from Washington July 13:

"OWI was called into existence largely as a result of the insistence of newspapers and other media of information that the American people should be assured in war, as never before, of a full and untrammeled flow of news as to the civil and military activity of the United States.

"The committee is convinced that OWI does have a real function in the prosecution of the war and that it has eliminated a great deal of the overlapping in the old setup.

"Obviously in one day the committee could reach no definitive conclusions concerning many of the problems presented to it. It does feel, however, that there are certain definite principles which should govern the Domestic Branch of OWI and it is for the advance of those principles that the committee has accepted its assignment.

"1. The American people are entitled as a right, and as a necessary condition of the maintenance of free Government and winning the war, to full and purely factual information concerning public events and the acts of public officials, entirely free of propaganda.

"2. It is vital that such information be disseminated only through the existing media of public information such as newspapers, trade journals, magazines, radio, and the motion pictures.

"3. OWI can perform a highly useful and necessary function in gathering and coordinating the news of the vastly complicated and far-flung activities of the Government, but in this process it should not in any wise shut off the press and other media of information from direct access to the sources of news or in any way circumscribe the right of inquiry which is the very essence of free reporting.

"4. The committee suggested that the OWI call into conference representatives of the corps of Washington correspondents, both press and radio, in order to further cooperation in the collection of news and to keep open the primary channels of information as far as is consistent with national security.

"5. The committee believes that the American public is entitled to all military and naval information which will not aid the enemy.

"6. The committee received conflicting reports as to the effect of the abolition of the field service. The committee will request OWI to poll newspapers and radio stations as to their desire for the recreation of a field service operating under the same principles that govern OWI's Washington activity. The committee feels that a streamlined, effectively conducted field service might be more economical to the Government in both money and manpower, than for the separate agencies to employ information men of their own.

"7. In conclusion the committee feels that the maintenance of civilian morale is fundamental to the winning of the war and that a full sharing with the people by Government of what is going on is the only certain guarantee of this morale."

Fuel Oil Coupons Stopped Aug. 16

Fuel oil inventory coupons, issuance of which was stopped July 1, will be withdrawn from use by Aug. 31 under provisions of an amendment to the fuel oil rationing regulations issued on July 19 by the Office of Price Administration.

Beginning Aug. 16 no fuel oil may be transferred in exchange for inventory coupons now outstanding. Dealers and others who have any of these coupons on hand on Aug. 16, should, not later than Aug. 31, deposit them in their ration bank accounts if they are depositors. Those without accounts should by that date obtain an exchange certificate for the coupons from their War Price and Rationing Board.

Generally, inventory coupons were issued to dealers when they registered to represent the difference between fuel oil stock on hand and total storage capacity. Discontinuance of the issuance of these coupons was authorized in Amendment 71 to the fuel oil rationing regulations, effective July 7. In the future War Price and Rationing Boards will issue exchange certificates in lieu of inventory coupons.

The amendment also authorizes the elimination of the "Certificate of Removal or Transfer and Surrender of Coupon Sheet" from the new coupon sheets for next season's rations. The use of the certificate will in the future be required only upon the surrender for Class 1 or Class 2 coupon sheets which were issued for use during the 1942-43 heating year.

This action is taken in Amendment 72 to Ration Order 11, effective July 24.

Export Freight Up 45% In First Six Months

Cars of export freight, other than grain, unloaded at Atlantic, Gulf and Pacific ports in the first half of 1943 totaled 603,313 cars compared with 417,370 cars in the same period last year, or an increase of nearly 45%, according to reports just compiled by the Manager of Port Traffic and made public on July 13 by the Association of American Railroads. These reports further show:

Cars of grain for export unloaded in the first six months of 1943 at those ports totaled 29,055 cars, compared with 16,594 cars in the same period last year, or an increase of 75%.

In the month of June this year, 118,781 cars of export freight, other than grain, were unloaded at all ports compared with 74,797 in June, 1942. Cars of grain for export unloaded in June this year totaled 6,504 compared with 1,799 cars in the same month last year.

The average daily unloadings of export and coastal freight at all United States ports in the first six months of 1943 was 3,512 cars compared with 2,537 cars in the same period last year. The average daily unloading of 4,200 cars at all United States ports in June 1943, was the heaviest for any month on record. The previous record was established in May, 1943, when the daily average was 4,122 cars.

Daily Average Crude Oil Production For Week Ended July 10, 1943 Are 82,450 Barrels Higher

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended July 10, 1943, was 4,090,250 barrels, a gain of 82,450 barrels over the preceding week and 432,850 barrels per day more than produced in the week ended July 11, 1942. The current figure, however, is 238,250 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of July, 1943. Daily output for the four weeks ended July 10, 1943, averaged 4,004,750 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,952,000 barrels of crude oil daily and produced 11,231,000 barrels of gasoline, 1,313,000 barrels of kerosene; 3,697,000 barrels of distillate fuel oil, and 8,192,000 barrels of residual fuel oil during the week ended July 10, 1943; and had in storage at the end of that week 77,618,000 barrels of gasolene; 8,194,000 barrels of kerosene; 35,119,000 barrels of distillate fuel, and 67,142,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations July	*State Allowables Begin. July 1	Actual Production Week Ended July 10, 1943	Change from Previous Week	4 Weeks Ended July 10, 1943	Week Ended July 11, 1942
Oklahoma	361,400	363,400	†335,050	— 450	336,000	372,000
Kansas	300,000	300,000	†280,150	+ 50	292,300	271,150
Nebraska	2,200	------	†2,100	— 50	2,100	3,600
Panhandle Texas			90,400	+ 200	90,200	80,400
North Texas			137,700	+ 3,400	133,900	142,800
West Texas			245,600	+ 9,500	234,900	207,200
East Central Texas			128,000	+ 2,500	125,100	85,300
East Texas			371,000	+20,600	347,800	290,100
Southwest Texas			230,000	+12,400	215,800	146,850
Coastal Texas			412,900	+18,600	391,900	251,300
Total Texas	1,727,000	‡1,728,136	1,615,600	+67,200	1,539,600	1,203,950
North Louisiana			85,100	— 50	85,200	93,350
Coastal Louisiana			264,000	+13,200	249,100	221,950
Total Louisiana	331,300	360,300	349,100	+13,150	334,300	315,300
Arkansas	77,200	75,043	76,850	+ 1,150	75,900	70,950
Mississippi	50,000		51,200	— 3,850	53,200	83,850
Illinois	233,000		219,950	— 600	216,200	283,950
Indiana	14,500		13,700	+ 100	14,200	19,000
Eastern— (Not incl. Ill. Ind. Ky.)	88,100		74,050	— 5,700	77,150	83,900
Kentucky	25,000		22,900	+ 2,100	21,250	11,600
Michigan	60,100		55,600	— 1,900	55,500	67,900
Wyoming	97,200		90,250	+ 3,700	90,500	91,900
Montana	21,800		20,900	+ 50	20,900	21,400
Colorado	7,000		6,800	— 200	7,000	6,400
New Mexico	105,700	105,700	97,150	+ 100	97,100	65,150
Total East of Calif.	3,501,500		3,311,350	+74,850	3,233,200	2,972,000
California	827,000	§827,000	778,900	+ 7,600	771,550	685,400
Total United States	4,328,500		4,090,250	+82,450	4,004,750	3,657,400

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in April, 1943, as follows: Oklahoma, 27,400; Kansas, 5,400; Texas, 107,400; Louisiana, 20,000; Arkansas, 2,700; Illinois, 11,200; Eastern (not including Illinois, Indiana or Kentucky), 8,900; Kentucky, 3,200; Michigan, 100; Wyoming, 2,300; Montana, 300; New Mexico, 5,200; California, 44,900.

†Oklahoma, Kansas, Nebraska figures are for week ended 7 a.m. July 8, 1943.

‡This is the net basic allowable as of July 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 15 days, the entire state was ordered shut down for 9 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 9 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED JULY 10, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,878	76.8	5,248	31,439	14,462	13,135
Appalachian	177	84.8	147	83.1	422	2,171	1,039	548
Ind., Ill., Ky.	824	85.2	750	91.0	2,379	15,964	5,210	3,260
Okla., Kans., Mo.	416	80.1	345	82.9	1,194	6,217	1,952	1,633
Rocky Mountain	147	55.9	101	68.7	310	1,821	366	674
California	817	89.9	731	89.5	1,678	20,006	12,090	47,892
Tot. U. S. B. of M. basis July 10, 1943	4,825	86.4	3,952	81.9	11,231	†77,618	35,119	67,142
Tot. U. S. B. of M. basis July 3, 1943	4,825	86.4	3,905	80.9	10,892	78,316	34,380	66,470
U. S. Bur. of Mines basis July 11, 1942			3,564	---	10,538	84,847	34,112	77,766

*At the request of the Petroleum Administration for War. †Finished, 67,521,000 barrels; unfinished, 10,097,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,313,000 barrels of kerosine, 3,697,000 barrels of gas oil and distillate fuel oil and 8,192,000 barrels of residual fuel oil produced during the week ended July 10, 1943, which compares with 1,232,000 barrels, 3,659,000 barrels and 7,815,000 barrels, respectively, in the preceding week, and 1,160,000 barrels, 3,647,000 barrels and 6,796,000 barrels, respectively, in the week ended July 11, 1943.

Note.—Stocks of kerosine amounted to 8,194,000 barrels, at July 10, 1943, against 8,254,000 barrels a week earlier and 9,960,000 barrels a year before.

Electric Output For Week Ended July 17, 1943, Shows 17.4% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended July 17, 1943, was approximately 4,184,143,000 kwh., compared with 3,565,367,000 kwh. in the corresponding week last year, an increase of 17.4%. The output for the week ended July 10, 1943, was 14.3% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— July 17	July 10	July 3	June 26
New England	11.3	*0.8	13.0	9.3
Middle Atlantic	19.0	12.0	20.8	19.2
Central Industrial	13.0	9.1	19.5	16.4
West Central	13.5	8.2	16.3	17.2
Southern States	22.0	18.7	28.3	23.5
Rocky Mountain	11.1	11.1	16.6	13.6
Pacific Coast	23.4	19.5	26.6	25.0
Total United States	17.4	14.3	20.1	19.2

* Decrease from 1942.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465,076	1,633,291
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738	1,696,543
Apr 17	3,916,794	3,307,700	+18.4	2,897,307	1,469,810	1,709,331
Apr 24	3,925,175	3,273,190	+19.9	2,950,448	1,454,505	1,699,822
May 1	3,866,721	3,304,602	+17.0	2,944,906	1,429,032	1,688,434
May 8	3,903,723	3,365,208	+16.0	3,003,921	1,436,928	1,698,942
May 15	3,969,161	3,356,921	+18.2	3,011,345	1,435,731	1,704,426
May 22	3,992,250	3,379,985	+18.1	3,040,029	1,425,151	1,705,460
May 29	3,990,040	3,322,651	+20.1	2,954,647	1,381,452	1,615,085
Jun 5	3,925,893	3,372,374	+16.4	3,076,323	1,435,471	1,689,925
Jun 12	4,040,376	3,463,528	+16.7	3,101,291	1,441,532	1,699,227
Jun 19	4,098,401	3,433,711	+19.4	3,091,672	1,440,541	1,702,501
Jun 26	4,120,038	3,457,024	+19.2	3,156,825	1,456,961	1,723,428
July 3	4,110.793	3,424,188	+20.1	2,903,727	1,341,730	1,592,075
July 10	3.919,398	3,428,916	+14.3	3,178.054	1,415,704	1,711.625
July 17	4,184,143	3,565,367	+17.4	3,199,105	1,433,993	1,727,225
July 24		3,625,645		3,220,526	1,440,386	1,732,031
July 31		3.649,146		3,263,082	1,426,986	1,724,728

Non-Ferrous Metals—To Allocate Treasury Free Silver—Major Metals Unchanged

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of July 15, stated: "With the Treasury's free silver now available for essential and some civilian uses, dealers and consumers hope for quick action by WPB to release more metal. Whether the authorities in Washington intend to be liberal in allocation of such silver is not known in trade circles, but more than 550,000,000 oz. could be removed from Treasury stocks, the equivalent of two years' production for the entire world. Word on August copper allocations came through yesterday. Lead sales were larger, as expected. Copper and zinc producers are worrying about the labor supply. Metals Reserve Co. announced that it will buy molybdenum concentrate in small lots at its purchasing depots on special terms." The publication further went on to say:

Copper

Allocation certificates for August copper were released by the Copper Branch on July 14. From present indications, consumers will obtain about the same tonnage as in July. Aside from growing concern about labor at the mines, conditions surrounding the market showed little change last week. Domestic quotations continued on the basis of 12 cents, Valley. Prices paid for foreign copper also were unchanged.

The walkout of railroad workers at the property of Utah Copper ended on July 9 after a temporary settlement was reached the night before. The railroad workers returned to work at the request of Government, union and company officials, pending study of the case by mediators. The strikers asked that they be classified as railroad workers to qualify for benefits under the Railroad Retirement Act.

Copper wire and cable in distributors' stocks are no longer subject to inventory restrictions of Order L-63, WPB ruled in amending the regulation on July 10. However, deliveries of wire and cable for replacement purposes are controlled under CMP Regulation No. 4.

OPA established a new ceiling on toll charges for treating copper scrap and copper alloy, beginning July 14. In amending MPR No. 20, OPA ruled that processing, treatment, handling and delivery charges in toll agreements are not to exceed a total that will lift the price of copper above the 12c. Connecticut base.

Requests for copper chemicals for all uses for the third quarter were granted in full.

Lead

Lead buying showed improvementment over the preceding seven-day period, a normal development under present conditions. Sales for the last week were more than 27% in excess of those in the week previous. The price situation was unchanged.

August requirements of consumers are slightly more than 25% covered, the trade believes. Buying to build up inventories, as suggested by WPB, has not yet assumed any volume.

Zinc

Discussions took place in the Tri-State district last week on building up the labor supply to maintain output. Labor shortages also have reduced smelter output in some sections of the country. There were no price developments in zinc, Prime Western holding at 8¼ cents, East St. Louis.

Conservation Order M-11-1 has been amended easing restrictions on deliveries of small lots of zinc dust by dealers.

Molybdenum Ore

Metals Reserve Co. announced last week that it will accept small lots of molybdenum concentrate (one ton or more) at its purchase depots at special prices. Large producers are not eligible under the buying program that will be in effect until Dec. 31, 1944.

Payment on small lots will be made on the basis of 37 cents per pound of molybdenum disulphide contained in concentrate containing at least 80% MoS2 and not more than 0.5% copper, 0.3% lead, and 0.1% phosphorus. If the copper content is more than 0.5% but not more than 0.8% there will be a penalty of 1 cent per pound of MoS2; if copper content is more than 0.8% but not more than 1%, the penalty will be 2 cents. Concentrate containing more than 1% copper, 0.3% lead, and 0.1% phosphorus is not acceptable under the program.

Tin

There was no news last week in connection with the plan to increase the price paid to Bolivian producers for tin concentrates sold to Metals Reserve.

Quotations for tin in the United States market continued unchanged. Straits quality tin for shipment was nominally as follows:

	July	August	Sept.
July 8	52.000	52.000	52.000
July 9	52.000	52.000	52.000
July 10	52.000	52.000	52.000
July 12	52.000	52.000	52.000
July 13	52.000	52.000	52.000
July 14	52.000	52.000	52.000

Chinese, or 99% tin, continues at 51.125 cents a pound.

Quicksilver

Though some producers have experienced labor shortages, output on the whole is being maintained. Prices in New York held at $196 to $198 per flask.

Silver

Senator Green's bill releasing surplus Treasury silver for war purposes and civilian production was signed by President Roosevelt on July 12. Under the law, WPB will allot such metal on the basis of 71.11 cents an ounce.

The Treasury estimates its stock of so-called free silver at 1,252,659,026 oz., of which 699,819,332 oz. has been loaned to the Defense Plan Corp. for use on war projects. The free silver is listed by the Treasury in the general fund at a cost of $591,405,379.

Manufacturers of products containing silver who will have to shift from lower-priced metal to silver carrying the 71.11-cent base price hope for early action by OPA to lift price ceilings to accommodate higher costs.

The London market for silver was unchanged throughout the week at 23½d. an ounce. The New York Official continued at 44¾ cents.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" of July 31, 1942, page 380.

Shimp In War Post

Byron W. Shimp, Director of Research and Publicity for B. J. Van Ingen & Co., Inc., is on leave of absence to serve as State Director for the Minnesota War Fund, which is affiliated with the National War Fund. His headquarters for the next few months will be in the Northwestern Bank Building, Minneapolis, Minn.

Moody's Daily Commodity Index

Tuesday, July 13	244.2
Wednesday, July 14	244.4
Thursday, July 15	244.1
Friday, July 16	243.6
Saturday, July 17	243.6
Monday, July 19	243.0
Tuesday, July 20	243.3
Two weeks ago, July 6	245.3
Month ago, June 19	243.7
Year ago, July 20	230.2
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings*				Corporate by Groups*		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
July 20	120.24	111.25	119.20	116.80	111.44	99.20	103.30	114.08	117.20
19	120.36	111.25	119.20	116.80	111.44	99.20	103.13	114.27	117.20
17	120.43	111.25	119.20	116.80	111.44	99.20	103.13	114.27	117.20
16	120.46	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20
15	120.56	111.25	119.20	116.80	111.44	99.20	103.13	114.08	117.20
14	120.63	111.25	119.20	116.80	111.44	99.04	103.13	114.08	117.00
13	120.64	111.07	119.00	116.61	111.25	99.04	102.96	114.08	117.00
12	120.78	111.07	119.20	116.61	111.25	98.88	102.96	114.08	116.80
10	120.77	111.07	119.20	116.41	111.25	98.88	102.96	114.08	116.80
9	120.73	111.07	119.20	116.61	111.25	98.88	102.80	114.08	117.00
8	120.75	110.88	119.00	116.61	111.25	98.57	102.80	113.89	116.80
7	120.79	110.88	119.00	116.41	111.25	98.57	102.80	113.89	116.80
6	120.87	110.88	119.00	116.22	111.25	98.57	102.63	113.70	116.80
5	EXCHANGE CLOSED								
3	120.78	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61
2	120.75	110.70	118.80	116.22	111.25	98.25	102.46	113.70	116.61
1	120.71	110.70	118.80	116.22	111.25	98.41	102.46	113.89	116.61
Jun 25	120.41	110.70	118.80	116.22	111.07	98.09	102.46	113.70	116.61
18	120.15	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
11	119.99	110.52	118.60	116.02	111.07	97.94	102.30	113.50	116.41
4	119.92	110.34	118.40	115.82	111.07	97.78	102.30	113.50	116.02
May 28	119.82	110.34	118.20	115.82	110.88	97.78	102.30	131.31	115.82
21	119.44	110.15	118.20	115.82	110.70	97.47	101.97	113.12	115.82
14	119.27	109.97	118.00	115.63	110.70	97.47	101.80	113.12	115.82
7	119.03	109.79	118.00	115.43	110.52	97.16	101.47	112.93	115.82
Apr. 30	118.36	109.79	118.00	115.43	110.34	97.00	101.31	113.12	115.63
22	118.22	109.60	118.00	115.43	110.34	96.69	100.98	113.12	115.82
16	118.06	109.60	117.80	115.43	110.52	96.38	100.81	112.93	115.63
9	117.48	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
High 1943	120.87	111.25	119.20	116.80	111.44	99.20	103.30	114.27	117.20
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago July 20, 1942	118.22	106.74	116.41	113.12	108.16	91.62	95.77	111.44	114.27
2 Years ago July 19, 1941	119.47	107.62	118.20	115.04	108.34	91.91	97.16	112.00	115.04

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus.
July 20	1.84	3.10	2.69	2.81	3.09	3.80	3.55	2.95	2.79
19	1.83	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79
17	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.94	2.79
16	1.82	3.10	2.69	2.81	3.09	3.80	3.56	2.95	2.79
15	1.81	3.10	2.69	2.81	3.09	3.80	3.56	2.95	2.79
14	1.81	3.10	2.69	2.81	3.09	3.81	3.56	2.95	2.80
13	1.81	3.11	2.70	2.82	3.10	3.81	3.57	2.95	2.80
12	1.80	3.11	2.69	2.82	3.10	3.82	3.57	2.95	2.81
10	1.80	3.11	2.69	2.83	3.10	3.82	3.57	2.95	2.81
9	1.80	3.11	2.69	2.82	3.10	3.82	3.58	2.95	2.80
8	1.80	3.12	2.70	2.82	3.10	3.84	3.58	2.96	2.81
7	1.79	3.12	2.70	2.83	3.10	3.84	3.58	2.96	2.81
6	1.79	3.12	2.70	2.84	3.10	3.84	3.59	2.97	2.81
5	EXCHANGE CLOSED								
3	1.80	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82
2	1.80	3.13	2.71	2.84	3.10	3.86	3.60	2.97	2.82
1	1.80	3.13	2.71	2.84	3.10	3.85	3.60	2.96	2.82
Jun 25	1.82	3.13	2.71	2.84	3.11	3.87	3.60	2.97	2.82
18	1.84	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
11	1.87	3.14	2.72	2.85	3.11	3.88	3.61	2.98	2.83
4	1.87	3.15	2.73	2.86	3.11	3.89	3.61	2.98	2.85
May 28	1.88	3.15	2.74	2.86	3.12	3.89	3.61	2.99	2.86
21	1.90	3.16	2.74	2.86	3.13	3.91	3.63	3.00	2.86
14	1.92	3.17	2.75	2.87	3.13	3.91	3.64	3.00	2.86
7	1.93	3.18	2.75	2.88	3.14	3.93	3.66	3.01	2.86
Apr. 30	1.98	3.18	2.75	2.88	3.15	3.94	3.67	3.00	2.87
22	1.99	3.19	2.75	2.88	3.15	3.96	3.69	3.00	2.86
16	2.00	3.19	2.76	2.88	3.14	3.98	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	1.79	3.10	2.69	2.81	3.09	3.80	3.55	2.94	2.79
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago July 20, 1942	2.00	3.35	2.83	3.00	3.27	4.30	4.02	3.09	2.94
2 Years ago July 19, 1941	1.89	3.30	2.74	2.90	3.26	4.28	3.93	3.06	2.90

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

National Fertilizer Association Commodity Price Average Advances

After declining for five consecutive weeks, wholesale commodity prices advanced last week, according to the price index compiled by The National Fertilizer Association and made public on July 19. In the week ended July 17 this index was 134.7 compared with 134.4 in the preceding week, 135.1 a month ago, and 128.9 a year ago, based on the 1935-1939 average as 100. (Last week it was inadvertently stated that the index was based on the 1926-1929 average as 100 instead of the 1935-1939 average as 100. The figures in the table were correct.) The Association's report continued as follows:

Continued changes in the farm product and food groups were the cause of the increase in the all-commodity index. Livestock quotations were mixed, with increases outweighing declines. Grain prices were lower this week but not sufficiently so to offset the advances in livestock prices. Thus there was a fractional advance in the farm product group. In the foods group, rising prices for milk and potatoes caused a slight gain in this index. These two groups were the only ones registering any change from the preceding week.

Price changes of individual commodities again were about evenly divided with 7 declines and 5 advances; in the preceding week there were 7 declines and 5 advances; and in the second preceding week there were 6 declines and 10 advances.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week July 17 1943	Preceding Week July 10 1943	Month Ago June 19 1943	Year Ago July 18 1942
25.3	Foods	138.0	137.6	139.3	125.9
	Fats and Oils	145.1	145.1	145.1	137.6
	Cottonseed Oil	159.0	159.0	159.0	159.6
23.0	Farm Products	152.3	151.9	152.2	137.9
	Cotton	119.8	199.8	199.6	185.9
	Grains	145.7	149.0	144.1	111.5
	Livestock	145.6	144.0	146.0	135.6
17.3	Fuels	122.8	122.8	122.8	125.2
10.8	Miscellaneous commodities	130.1	130.1	130.1	127.6
8.2	Textiles	151.2	151.2	151.1	148.5
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.6	152.6	152.6	151.6
1.3	Chemicals and drugs	126.6	126.6	126.6	120.7
.3	Fertilizer materials	117.7	117.7	117.7	117.8
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	134.7	134.4	135.1	128.9

*Indexes on 1926-1928 base were July 17, 1943, 104.9; July 10, 104.7; and July 18, 1942, 100.4

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended July 10 is estimated at 11,100,000 net tons, which compares with 10,350,000 tons in the preceding week and 10,779,000 tons in the corresponding week last year. Monday, July 5, 1943, was partially observed by the industry as a holiday. For the present year to July 10, soft coal output was 0.3% in excess of that for the same period in 1942.

The U. S. Bureau of Mines estimated that the total production of Pennsylvania anthracite for the week ended July 10 was 1,238,000 tons, an increase of 615,000 tons (98.7%) over the preceding week. When compared with the output in the corresponding week of 1942, there was an increase of 38,000 tons of 3.2%. The calendar year 1943 to date shows a decrease of 1.9% when compared with the same period of 1942.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended July 10 showed an increase of 35,500 tons when compared with the output for the week ended July 3. The quantity of coke from beehive ovens increased 30,300 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
WITH COMPARABLE DATA ON PRODUCTION OF PETROLEUM
(In Net Tons—000 Omitted.)

	Week Ended			January 1 to Date		
Bituminous coal and lignite—	July 10 1943	July23 1943	July 11 1942	†July 10 1943	July 11 1942	July 10 1937
Total, incl. mine fuel	11,100	10,350	10,779	301,818	300,917	234,200
Daily average	‡1,947	1,725	1,797	1,863	1,875	1,460
*Crude petroleum—						
Coal equivalent of weekly output	6,552	6,420	5,859	171,711	165,898	148,976

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B.t.u. per barrel of oil and 13,000 B.t.u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal. (Minerals Yearbook, Review of 1940, page 775.) †Subject to current adjustment. ‡July 5 weighted as 0.7 of a normal working day.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Cal. Year to Date		
Penn. anthracite—	§July 10 1943	¶July 3 1943	July 11 1942	July 10 1943	July 11 1942	July 13 1929
*Total incl. coll. fuel	1,238,000	623,000	1,209,000	¶30,798,000	31,380,000	37,313,000
†Commercial produc.	1,188,000	598,000	1,152,000	¶29,566,000	30,125,000	34,626,000
Beehive coke—						
United States total	128,000	97,700	162,100	4,020,300	4,354,000	3,139,700
By-product coke—						
United States total	1,177,500	1,142,000	1,191,200	33,070,900	32,340,600	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					June
State—	July 3 1943	June 26 1943	July 4 1942	July 5 1941	July 3 1937	Avge. ¶1923
Alabama	160	59	286	232	255	389
Alaska	6	5	4	5	4	**
Arkansas and Oklahoma	63	43	66	14	20	74
Colorado	130	58	85	70	77	165
Georgia and North Carolina	1	1	††	††	††	**
Illinois	1,473	670	942	717	692	1,268
Indiana	472	232	408	263	238	451
Iowa	35	31	39	33	20	87
Kansas and Missouri	153	122	117	83	85	134
Kentucky—Eastern	852	288	508	596	685	735
Kentucky—Western	265	179	190	148	128	202
Maryland	37	20	31	23	26	42
Michigan	7	††	3	1	††	17
Montana (bituminous and lignite)	89	73	56	42	40	41
New Mexico	37	23	29	17	32	52
North and South Dakota (lignite)	37	32	20	18	14	**14
Ohio	626	198	578	352	393	854
Pennsylvania (bituminous)	1,945	775	2,226	1,873	2,003	3,680
Tennessee	115	38	115	104	103	113
Texas (bituminous and lignite)	2	2	7	7	19	23
Utah	101	44	85	39	45	87
Virginia	411	175	264	273	257	239
Washington	24	17	39	24	35	37
*West Virginia—Southern	2,261	947	1,275	1,370	1,653	1,519
†West Virginia—Northern	887	492	690	475	480	866
Wyoming	160	86	109	84	71	115
‡Other Western States	1	††	††	††	††	**4
Total bituminous and lignite	10,350	4,610	8,172	6,863	7,375	11,208
§Pennsylvania anthracite	623	284	941	64	989	1,950
Total all coal	10,973	4,894	9,113	6,927	8,364	13,158

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona, California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

Nat'l Maritime Union Asks Post-War Social Security For Seamen

At the closing session July 14, of the fourth biennial convention of the National Maritime Union at the Manhattan Center, New York City, a post-war program calling for the extension of old-age pensions to seamen, a 40-hour week aboard ship and a guaranteed annual income, unemployment insurance and pensions for seamen disabled in the war, was adopted, according to the New York "Times" of July 15, which further reported:

"The post-war plan calls for a strong merchant marine, the stabilization of world trade through the equalization upward of all wages, hours and conditions of seamen of all nations and the revision of archaic maritime laws. The 248 delegates, representing 50,000 seamen, also called for continued labor management and government cooperation after the war.

" 'The needs of the war,' the plan pointed out, 'have brought labor, management and government together throughout our country in joint effort to preserve our nation and achieve victory over the Axis. This has been developed to some extent in the maritime industry and this union shall continue to bend every effort to make it more effective. After the war, labor, management and government cooperation will be even more necessary to realize the principles for which we are fighting.

" 'We want an industry-wide labor, management and government set-up in the American merchant marine. We want a seat at the peace table after victory is won. We want full representation in the government councils responsible for the operation of the American merchant marine.'

"The convention also endorsed the Wagner-Murray-Dingall Social Security Bill that expands existing social legislation and called for its immediate enactment as 'another weapon of the democracies against the slavery of fascism.' The post-war plan, which was proposed by the resolutions committee, ended with this note:

" 'These are some of the things the seamen want. Many of our shipmates have given their lives and many more will die to secure them.'

"Joseph Curran, the NMU President, who read the plan to the enthusiastic audience, also recited a pledge that he asked every delegate to rise and adopt. The pledge, which was dedicated to 'our shipmates who have died,' read:

" 'We will continue your struggle. We will never rest until the cause for which you died has triumphed. We will keep 'em sailing in your hallowed spirit—the spirit of free men who have never had and never will bend the knee to fascist slavery.'

"The delegates voted to have small plaques, quoting the pledge, sent to all ships now in service. They also sent a message to Admiral Emory S. Land of the War Shipping Administration urging that women be allowed to sail aboard American ships. Other resolutions attacked the State Department for some of its practices as 'not always consistent with the anti-fascist aims of our administration.'

"Mr. Curran in a speech bringing the convention to a close reaffirmed the pledge of his union not to strike."

Bankers' Dollar Acceptances Outstanding On June 30 Increased To $139,846,000

The volume of bankers' dollar acceptances outstanding on June 30 amounted to $139,846,000, an increase of $4,031,000 over the May 29 total, according to the monthly acceptances survey issued by the Federal Reserve Bank of New York. The total, however, is $23,003,000 below a year ago.

In the month-to-month comparison only credits for domestic shipments and those for dollar exchange were lower, whereas in the year-to-year analysis only credits based on goods stored in or shipped between foreign countries were higher.

The Reserve Bank's report follows:

BANKERS' DOLLAR ACCEPTANCES OUTSTANDING—UNITED STATES BY FEDERAL RESERVE DISTRICTS

Federal Reserve District—	June 30, '43	May 29, '43	June 30, '42
1 Boston	$ 28,464,000	$ 25,187,000	$ 33,578,000
2 New York	82,635,000	83,632,000	95,176,000
3 Philadelphia	7,198,000	6,050,000	9,148,000
4 Cleveland	944,000	1,272,000	2,707,000
5 Richmond	1,499,000	2,033,000	1,255,000
6 Atlanta	1,988,000	1,838,000	2,408,000
7 Chicago	4,288,000	3,982,000	3,810,000
8 St. Louis	587,000	689,000	440,000
9 Minneapolis	179,000	140,000	113,000
10 Kansas City	----	----	----
11 Dallas	565,000	686,000	2,143,000
12 San Francisco	11,499,000	10,306,000	13,071,000
Grand Total	$139,846,000	$135,815,000	$162,849,000

Increase for month------$4,031,000 Decrease for year------$23,003,000

ACCORDING TO NATURE OF CREDIT

	June 30, '43	May 29, '43	June 30, '42
Imports	$ 81,717,000	$ 78,537,000	$ 93,950,000
Exports	9,884,000	8,497,000	12,557,000
Domestic shipments	12,258,000	13,164,000	14,312,000
Domestic warehouse credits	23,967,000	23,687,000	37,837,000
Dollar exchange	194,000	279,000	397,000
Based on goods stored in or shipped between foreign countries	11,826,000	11,651,000	3,796,000

BILLS HELD BY ACCEPTING BANKS

Own Bills----$61,891,000 Bills of Others----$40,390,000 Total----$102,281,000
Decrease for month $2,377,000

CURRENT MARKET RATES ON PRIME BANKERS ACCEPTANCES, JULY 15, 1943

Days	Dealers' Buying Rates	Dealers' Selling Rates
30	½	7/16
60	½	7/16
90	½	7/16
120	9/16	½
150	⅝	9/16
180	⅝	9/16

The following table, compiled by us, furnishes a record of the volume of bankers' acceptances outstanding at the close of each month since July 31, 1940:

1940—		1941—		1942—	
July 31	**$188,350,000**	July 31	209,899,000	July 31	156,302,000
Aug. 31	**181,813,000**	Aug. 30	197,472,000	Aug. 31	139,304,000
Sept. 30	**176,614,000**	Sept. 30	176,801,000	Sept. 30	123,494,000
Oct. 31	**186,786,000**	Oct. 31	184,806,000	Oct. 31	118,581,000
Nov. 30	**196,683,000**	Nov. 29	193,590,000	Nov. 30	116,067,000
Dec. 31	**208,659,000**	Dec. 31	194,220,000	Dec. 31	118,039,000
1941—		1942—		1943—	
Jan. 31	**$212,777,000**	Jan. 31	$197,278,000	Jan. 30	$119,682,000
Feb. 28	**211,865,000**	Feb. 28	190,010,000	Feb. 27	127,062,000
Mar. 31	**217,312,000**	Mar. 31	182,675,000	Mar. 31	129,818,000
Apr. 30	**219,561,000**	Apr. 30	177,293,000	Apr. 30	128,350,000
May 31	**215,005,000**	May 29	173,906,000	May 29	135,815,000
June 30	**$212,932,000**	June 30	$162,849,000	June 30	139,846,000

Cottonseed Receipts In May

On June 12, the Bureau of Census issued the following statement showing cottonseed received, crushed, and on hand, and cottonseed products manufactured, shipped out, on hand, and exported for the ten months ended with May, 1943 and 1942.

COTTONSEED RECEIVED, CRUSHED, AND ON HAND (TONS)

State—	*Received at mills Aug. 1 to June 30 1943	*Received at mills Aug. 1 to June 30 1942	Crushed Aug. 1 to June 30 1943	Crushed Aug. 1 to June 30 1942	On hand at mills June 30 1943	On hand at mills June 30 1942
United States	4,467,382	3,931,873	4,436,374	3,944,463	103,039	117,944
Alabama	257,547	222,316	254,834	228,716	6,046	4,773
Arizona	82,864	78,234	83,252	78,060	3	391
Arkansas	472,036	475,505	462,155	478,027	21,762	22,408
California	157,831	158,494	146,585	161,383	12,421	3,626
Georgia	342,145	268,861	341,258	279,441	4,944	8,336
Louisiana	166,090	85,728	166,518	35,482	316	842
Mississippi	748,256	567,987	731,028	561,465	23,469	10,548
North Carolina	271,505	215,099	271,823	218,378	1,339	6,457
Oklahoma	219,158	239,381	222,194	230,378	1,428	9,535
South Carolina	206,803	121,886	204,562	124,243	2,188	651
Tennessee	382,579	397,605	386,598	399,318	5,168	18,955
Texas	1,015,485	960,574	1,028,616	957,514	19,824	30,254
All other States	145,023	140,138	136,951	142,078	4,131	1,168

*Does not include 81,928 and 130,529 tons on hand Aug. 1 nor 59,908 and 66,503 tons reshipped for 1943 and 1942 respectively. Does include 9,897 tons destroyed for 1943.

COTTONSEED PRODUCTS MANUFACTURED, SHIPPED OUT, AND ON HAND

Item—	Season	On hand Aug. 1	Produced Aug. 1 to June 30	Shipped out Aug. 1 to June 30	On hand June 30
Crude oil	1942-43	*34,460	1,380,491	1,377,055	*41,523
(thousand pounds)	1941-42	29,708	1,228,340	1,230,305	49,901
Refined oil	1942-43	†310,191	‡1,261,414	----	†239,462
(thousand pounds)	1941-42	294,005	1,121,589	----	369,205
Cake and meal	1942-43	190,100	1,965,912	2,126,383	29,629
(tons)	1941-42	164,444	1,720,527	1,635,519	249,452
Hulls	1942-43	44,118	1,070,277	1,097,080	17,315
(tons)	1941-42	151,439	976,015	1,055,835	71,619
Linters	1942-43	43,235	§1,335,217	1,189,619	§188,900
(running bales)	1941-42	123,154	1,161,745	1,234,477	50,422
Hull fiber	1942-43	229	34,821	34,276	774
(500-lb. bales)	1941-42	1,834	30,772	32,276	330
Grabbots, motes, &c.	1942-43	23,644	62,309	67,073	18,880
(500-lb. bales)	1941-42	6,183	53,941	36,441	23,683

*Includes 24,484,000 and 27,211,000 pounds held by refining and manufacturing establishments and 2,118,000 and 3,018,000 pounds in transit to refiners and consumers Aug. 1, 1942 and June 30, 1943, respectively.

†Includes 3,620,000 and 4,699,000 pounds held by refiners, brokers, agents, and warehousemen at places other than refineries and manufacturing stablishments and 1,389,000 and 2,203,000 pounds in transit to manufacturers of shortening, soap, etc., Aug. 1, 1942 and June 30, 1943, respectively. Does not include winterized oil.

‡Produced from 1,353,930,000 pounds of crude oil.

§Total linters produced includes 27,509 bales first cut, 129,403 bales second cut and 1,178,300 bales mill run. Total held includes 11,575 bales first cut, 14,530 bales second cut and 162,795 bales mill run.

Exports and Imports of Cottonseed Products

In the interest of national defense, the Department of Commerce has discontinued until further notice the publication of statistics concerning imports and exports.

Trading On New York Exchanges

The Securities and Exchange Commission has made public figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the weeks ended June 26 and July 3, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended July 3 (in round-lot transactions) totaled 1,936,384 shares, which amount was 16.97% of the total transactions on the Exchange of 5,704,890 shares. This compares with member trading during the week ended June 26 of 1,623,453 shares or 16.12% of total trading of 5,037,320 shares. On the New York Curb Exchange member trading during the week ended July 3 amounted to 492,265 shares, or 15.59% of the total volume of that Exchange of 1,578,575 shares; during the June 26 week trading for the account of Curb members of 311,700 shares was 13.83% of total trading of 1,127,250 shares.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

	Total for Week 7- 3-43	†Per Cent	Total for Week 6-26-43	†Per Cent
A. Total Round-Lot Sales:				
Short sales	125,070		110,420	
‡Other sales	5,579,820		4,926,900	
Total sales	5,704,890		5,037,320	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:				
1. Transactions of specialists in stocks in which they are registered—				
Total purchases	481,330		417,400	
Short sales	63,210		55,370	
‡Other sales	394,720		399,370	
Total sales	457,930	8.23	454,740	8.66
2. Other transactions initiated on the floor—				
Total purchases	308,710		200,960	
Short sales	18,900		15,600	
‡Other sales	257,260		189,410	
Total sales	276,160	5.13	205,010	4.03
3. Other transactions initiated off the floor—				
Total purchases	195,712		175,140	
Short sales	17,600		11,900	
‡Other sales	198,942		158,303	
Total sales	216,542	3.61	170,203	3.43
4. Total—				
Total purchases	985,752		793,500	
Short sales	99,710		82,870	
‡Other sales	850,922		747,083	
Total sales	950,632	16.97	829,953	16.12

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

	Total for Week 7- 3-43	†Per Cent	Total for Week 6-26-43	†Per Cent
A. Total Round-Lot Sales:				
Short sales	14,075		5,090	
‡Other sales	1,564,500		1,122,160	
Total sales	1,578,575		1,127,250	
B. Round-Lot Transactions for the Account of Members:				
1. Transactions of specialists in stocks in which they are registered—				
Total purchases	127,665		80,405	
Short sales	9,585		3,690	
‡Other sales	130,810		84,480	
Total sales	140,395	8.49	88,170	7.48
2. Other transactions initiated on the floor—				
Total purchases	64,615		28,955	
Short sales	1,625		1,000	
‡Other sales	54,725		27,725	
Total sales	56,350	3.83	28,725	2.56
3. Other transactions initiated off the floor—				
Total purchases	41,575		21,875	
Short sales	330		------	
‡Other sales	61,355		63,570	
Total sales	61,685	3.27	63,570	3.79
4. Total—				
Total purchases	233,855		131,235	
Short sales	11,540		4,690	
‡Other sales	246,890		175,775	
Total sales	258,430	15.59	180,465	13.83
C. Odd-Lot Transactions for the Account of Specialists—				
Customers' short sales	------		150	
§Customers' other sales	60,084		51,563	
Total purchases	60,084		51,713	
Total sales	48,718		32,958	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

May Munitions Output Unchanged From April; Nelson Urges No Slackening Of Pace

Production of munitions in the United States during May was virtually unchanged in total volume from April production, it was announced on July 6 by Donald M. Nelson, Chairman of the War Production Board, in the eleventh of a series of monthly reports.

Mr. Nelson said that a further rise of 5% in the output of aircraft and aircraft equipment, and deliveries of naval vessels in excess of 200,000 displacement tons were the outstanding gains during the month.

The Chairman's report also had the following to say in part:

"An expansion of merchant ship deliveries to almost 1,800,000 deadweight tons was offset by a decline of 4% in value of work done in shipyards. Thus while the record of ships accepted in May reached a new high that has never been equalled in shipbuilding history, the total value of war work done in our shipyards was slightly under that accomplished in April. Since our indices of production for ships, where there is a long-time-span between inauguration of work and delivery, are based on value-put-in-place, they do not reflect current deliveries.

A decline of 3% from April production of army ground ordnance and equipment, and 7% decrease in miscellaneous munitions were recorded.

With the amount of construction work put in place each month continuing to move downward in accordance with programs, there was a 1% decrease in combined munitions production and war construction.

Of the four major programs, merchant ships are furthest advanced, with 44% of the year's objective estimated as completed by June 30. At the half-year mark, Army ordnance and output of naval vessels and equipment were estimated at approximately 40% of the 1943 goals, and the year's aircraft program will be 35% completed.

Munitions are now being produced at a rate of more than $60,000,000,000 a year and total production for the 12-month period is expected to run beyond $65,000,000,000.

Summed up, the May production score as compared with April's was:

Total munitions, no change; aircraft, up 5%; ground ordnance, down 3%; Navy and Army vessels (value put in place), up 2%; merchant vessels (value put in place), down 4%; miscellaneous munitions, down 7%.

Close examination of production programs and available materials has made it evident that during the remainder of this year we shall have to draw upon accumulated excess inventories of steel, copper, aluminum and certain components to meet production programs.

Increases in munitions production during the rest of the year must continue at the average rate achieved so far in 1943 to meet the year's requirements. A slackening of the pace, such as occurred in May is, therefore, a very serious matter, since it places upon the remaining months of the year additional strain in a period when production difficulties will multiply because the industrial machine is operating so close to capacity.

We have reached a point now where gains in production will be won only through the most thoughtful and determined effort on the part of all concerned—and it is teamwork which counts even more than the most interested individual effort.

Personal and group interests must be set aside in the interests of all of us as much as it is humanly possible for we are on the verge of one of the greatest trials in our national history. We cannot afford to relax our efforts for an instant. On the contrary, we must prepare ourselves to meet calmly and steadily the greatest strains to which we may ever be subjected.

Mortgage Bankers To Meet In Chicago

The 30th annual meeting of the Mortgage Bankers Association of America will be held in Chicago at the Drake Hotel Sept. 23, 24 and 25 in conjunction with a Conference on Post War Planning. Because of wartime conditions, the meeting is being cut to two-and-a-half days. Discussion of further war housing, the status of private housing versus public housing now and after the war, urban rehabilitation and general post war planning in the construction and real estate fields will be emphasized, Charles A. Mullenix, Association President, said.

Civil Engineering Construction $104,015,000 For Week

Civil engineering construction volume in continental U. S. totals $104,015,000 for the week. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 40% below the corresponding 1942 week as reported by "Engineering News-Record" on July 15, and compares with $42,002,000 for the preceding week. Private construction is 75% above the week last year, public work is down 46%, and Federal construction is down 45%. The report went on to say:

The current week's volume brings 1943 construction to $1,972,417,000, an average of $70,443,000 for each of the 28 weeks. On the weekly average basis, 1943 construction is 63% below the $5,698,849,000 for the 29-week period a year ago. Private construction, $243,926,000, is 33% lower than last year, and public work, $1,728,491,000, is down 66% when adjusted for the difference in the number of weeks.

Civil engineering construction volumes for the 1942 week, last week, and the current week are:

	July 16, 1942 (Five Days)	July 8, 1943 (Four Days)	July 15, 1943 (Five Days)
Total U. S. construction	$174,129,000	$42,002,000	$104,015,000
Private construction	7,705,000	3,095,000	13,484,000
Public construction	166,424,000	38,907,000	90,531,000
State and municipal	10,073,000	2,766,000	5,106,000
Federal	156,351,000	36,141,000	85,425,000

In the classified construction groups there is an increase in waterworks, streets and roads, unclassified construction and industrial and public buildings. All classes of work are lower than a year ago. Subtotals for the week in each class of construction are: waterworks, $3,572,000; sewerage, $1,437,000; bridges, $398,000; industrial buildings, $1,074,000; commercial buildings and large-scale private housing, $2,455,000; public buildings, $39,369,000; earthwork and drainage, $902,000; streets and roads, $10,844,000, and unclassified construction, $43,964,000.

New capital for construction purposes for the week totals $2,943,000. The week's new financing is made up entirely of State and municipal bonds.

New construction financing for the 28 weeks of 1943, $2,918,015,000, compares with $7,801,129,000 for the 29-week period in 1942.

New Capital Issues In Great Britain

The following statistics have been compiled by the Midland Bank Limited. These compilations of issues of new capital, which are subject to revision, exclude all borrowings by the British Government; shares issued to vendors; allotments arising from the capitalization of reserve funds and undivided profits; sales of already issued securities which add nothing to the capital resources of the company whose securities have been offered; issues for conversion or redemption of securities previously held in the United Kingdom; short-dated bills sold in anticipation of long-term borrowings; and loans of municipal and county authorities which are not specifically limited. In all cases the figures are based upon the prices of issue.

NEW CAPITAL ISSUES IN THE UNITED KINGDOM
(Compiled by the Midland Bank Limited)
£000 omitted

	Total	—Geographical distribution— United Kingdom	British overseas countries	Foreign countries
1937, 1st half	97,416	80,661	15,633	1,122
2nd "	73,490	58,107	9,305	6,078
1938, 1st "	74,051	56,139	17,916	2,996
2nd "	44,046	36,607	6,368	1,071
1939, 1st "	57,145	39,906	17,018	221
2nd "	9,149	3,429	1,295	4,425
1940, 1st "	3,068	2,716	157	195
2nd "	1,028	828	200	---
1941, 1st "	1,280	1,031	249	---
2nd "	1,046	896	150	---
1942, 1st "	660	660	---	---
2nd "	3,247	3,211	36	---
1943, 1st "	3,731	2,503	588	639

New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the weeks ended July 3 and 10, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

ODD-LOT PURCHASES BY DEALERS		
(Customers' Purchases)		
(Customers' Sales)		
Number of Orders:	194	96
Customers' short sales	20,494	16,287
*Customers' other sales	20,688	16,383
Customers' total sales		
Number of Shares:	4.226	3,060
Customers' short sales	533,462	407,130
*Customers' other sales	537.688	410,190
Customers' total sales	17,787,538	13,754,182
Dollar value	210	100
Short sales	141,6605	104,640
†Other sales	141,870	104,740
Total sales		
ROUND-LOT SALES BY DEALERS		
Number of Shares:		
ODD-LOT SALES BY DEALERS	July 3	July 10
Number of Orders	19,167	16,974
Number of Shares	550,115	465,631
Dollar value	20,740,010	17,905,471
ROUND-LOT PURCHASES BY DEALERS		
Number of Shares	161,770	157,470

* Sales marked "short exempt" are reported with "other sales."

† Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Changes In Holdings Of Reacquired Stock Of N. Y. Stock And Curb Listed Firms

The monthly compilation of companies listed on the New York Stock Exchange reporting changes in their holdings of reacquired stock was made available on July 16. Following is the tabulation issued by the Stock Exchange:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report	
Allied Stores Corp., 5% preferred	11,917	67	(1)
American Hide and Leather Co., common	41,250	59,550	(2)
6% preferred	2,860	------	(2)
American Ice Co., 6% preferred	33,377	34,277	
American Machine and Metals, Inc., common	28,300	28,700	
Armour and Co. (Del.), 7% preferred	3,340	5,518	
Associates Investment Co., common	35,471	35,724	
5% preferred	16	612	
Atlas Corp., common	60	87	
6% preferred	947	------	(3)
Borden Co. (The), capital	53,259	67,804	(4)
Carriers and General Corp., common	300	------	(5)
Case (J. I.) Co., common	1,276	1,228	
Copperweld Steel Co., 5% cum. conv. preferred	6,859	7,419	
Crucible Steel Co. of America, 5% conv. preferred	900	1,100	
Detroit Edison Co. (The), common	1,050	868	
Distillers Corp.-Seagrams Limited, cum. pf. 5% ser.	325	------	(6)
du Pont (E. I.) de Nemours & Co., common	23,447	11,186	(7)
Federated Department Stores, Inc., 4½% preferred	14,930	14,940	
Flintkote Co. (The), $4.50 cum. preferred	400	550	
Insuranshares Certificates, Inc., common	------	------	(8)
Kaufmann Department Stores, Inc., 5% preference	18,765	18,766	
National Cylinder Gas Co., common	3,511	5,311	
National Department Stores Corp., 6% preferred	2,865	2,931	
National Steel Corp., common	4,605	2,605	
Newport News Shipbuilding and Dry Dock Co., $5 cv. pfd.	7,800	10,100	(9)
Norfolk and Western Railway Co., adj. 4% preferred	5,892	6,182	
Plymouth Oil Co., common	4,384	5,084	
Purity Bakeries Corp., common	33,169	32,989	
Real Silk Hosiery Mills, Inc., 7% preferred	6,022	6,156	
Reliable Stores Corp., common	51,960	51,993	
Safeway Stores, Inc., 5% preferred	4,494	84	(10)
Sheaffer (W. A.) Pen Co., common	2,988	3,002	(11)
Sinclair Oil Corp., common	330,900	330,901	
Swift & Co., capital	77,711	77,747	
Texas Co. (The), capital	510,627	792,812	(12)
Transamerica Corp., capital	1,117,318	1,127,000	
Twentieth Century-Fox Film Corp., $1.50 preferred	41,563	44,463	
United States Leather Co. (The), prior preferred	6,720	6,792	
United States Rubber Co., common	------	12	
Virginia Iron, Coal and Coke Co., 5% preferred	2,682	3,042	
White (The S. S.) Dental Mfg. Co., capital	1,502	1,482	
Wilcox (H. F.) Oil & Gas Co., common	76,221	221,534	

NOTES

(1) 2,000 shares acquired; 14,450 shares retired through operation of sinking fund.
(2) 800 shares acquired of preferred stock, and converted 3,660 shares into 18,300 shares of common stock
(3) 3 shares acquired; 950 shares retired.
(4) 17,300 shares acquired; 2,755 shares disposed of for acquisition of properties.
(5) 392 shares acquired; 692 shares retired.
(6) 200 shares acquired; 525 shares retired.
(7) 20,445 shares acquired; 32,706 shares disposed of.
(8) 2,100 shares acquired and retired.
(9) 2,300 shares acquired from February through June.
(10) 42 shares acquired; 4,452 shares retired.
(11) 24 shares acquired; 10 shares sold.
(12) 282,185 shares acquired as a partial distribution on its holdings of Indian Refining Co. common stock.

The New York Curb Exchange issued on July 16 the following list of fully listed securities which have reported changes in their holdings of reacquired stock:

Company and Class of Stock—	Shares Previously Reported	Shares Per Latest Report
Air Investors, Inc., conv. preferred	1,903	2,003
American Cities Pw. & Lt. Corp., "A" opt. div. ser. 1936	7,442	------
Conv. "A" opt. div. ser.	13,886	------
American General Corp., common	358,817	358,835
Blue Ridge Corp., $3 conv. preferred	10,662	------
Cooper-Bessemer Corp. (The) $3 prior preferred	815	915
Coro, Inc., (formerly "Cohn & Rosenberger, Inc."), com.	18,033	19,633
Dejay Stores, Inc., common	16,856	17,956
Esquire, Inc., capital	5,000	9,300
Fuller (George A.) Co., 4% conv. preferred	545	6,989
Gilbert (The A. C.) Co., preferred	2,578	2,008
Hearn Dept. Stores, Inc., 6% preferred	21,531	23,774
Knott Corp. (The), common	9,385	9,394
Mangel Stores Corp., $5 conv. preferred	1,960	3,268
Merritt-Chapman & Scott Corp., 6½% "A" preferred	1,655	1,980
Midland Oil Corp., $2 conv. preferred	9,465	9,515
Mock, Judson, Voehringer Co., Inc., common	14,867	15,467
Murray Ohio Manufacturing Co., common	------	600
Pratt & Lambert, Inc., capital	8,632	6,427
Standard Tube Co. (The), "B" common	------	26,073
Stein (A.), & Co., common	4,273	8,906
Sterchi Bros. Stores, Inc., 6% 1st preferred	60	580
5% 2nd preferred	60	610
United Cigar-Whelan Stores Corp., common	12,167	12,178
Utility Equities Corp., $5.50 div. prior stock	9,700	9,900
Wentworth Manufacturing Co., common	------	28,209

Commercial Paper Outstanding

Reports received by the Federal Reserve Bank of New York from commercial paper dealers show a total of $143,300,000 of open market paper outstanding on June 30. This was a decline of $16,300,000 from the May 29 total and a decline of $171,900,000 from the June 30, 1942, total. The current total is the smallest since May 31, 1934, when the amount outstanding was $141,500,000. This was the sixteenth successive monthly decline.

Following are the totals for the last two years:

1943—	$	1942—	$
Jun 30	143,300,000	Jun 30	315,200,000
May 29	159,600,000	May 29	354,200,000
Apr 30	178,900,000	Apr 30	373,100,000
Mar 31	200,600,000	Mar 31	384,300,000
Feb 27	209,100,000	Feb 28	388,400,000
Jan 30	220,400,000	Jan 31	380,600,000
1942—		1941—	
Dec 31	229,900,000	Dec 31	374,500,000
Nov 30	260,600,000	Nov 29	387,100,000
Oct 31	271,400,000	Oct 31	377,700,000
Sep 30	281,800,000	Sep 30	370,500,000
Aug 31	297,200,000	Aug 30	353,900,000
July 31	305,300,000	July 31	329,900,000

FDR Approves Billions For War Agencies

President Roosevelt signed on July 12 the $2,911,697,224 appropriation bill to finance the work of 18 government war agencies.

This is the bill which contains $155,000,000 for the Office of Price Administration, in contrast with the $177,335,000 which the OPA sought for its 1944 fiscal operations.

The House had voted that the OPA be given only $130,000,000 but the Senate approved $165,000,000 for the agency; a conference committee agreed on $155,000,000.

Also included in this measure was funds for the Office of War Information totaling $33,222,504. A bitter controversy had arisen over whether the OWI domestic branch should be continued. Of the $8,000,000 requested for this service only $2,750,000 was allowed. The House, at first, voted no funds for these activities while the Senate proposed $3,561,499.

Previous House action on this measure was described in our issue of June 24, page 2388.

Allotment Figures On Treasury Note Sale

Secretary of the Treasury Morgenthau announced on July 12 the final subscription and allotment figures with respect to the recent offering of $2,500,000,000 of 1½% Treasury notes of Series A-1947.

Total subscriptions aggregated $19,543,543,500, of which $2,707,264,000 were allotted.

Secretary Morgenthau had earlier disclosed that this was a record over-subscription. It had also been announced that subscriptions in amounts up to and including $100,000 totaling about $1,347,000,000 were allotted in full. Subscriptions in amounts over $100,000 were allotted 7% on a straight percentage basis, but not less than $100,000 on any one subscription with adjustments, where necessary, to the $1,000 denomination.

The Treasury opened the books to this offering on June 28 and closed them on June 29; this was reported in our issue of July 1, page 29.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received	Total Subscriptions Allotted
Boston	$1,022,210,000	$133,453,000
New York	7,301,921,000	696,267,500
Philadelphia	1,160,805,000	135,409,000
Cleveland	1,040,092,000	181,616,000
Richmond	905,249,500	173,076,500
Atlanta	1,139,315,500	378,140,500
Chicago	2,728,261,000	366,196,000
St. Louis	586,158,000	143,634,000
Minneapolis	422,874,500	86,000,500
Kansas City	670,095,500	115,537,500
Dallas	700,083,500	114,048,500
San Francisco	1,866,178,000	183,585,000
Treasury	300,000	300,000
TOTAL	$19,543,543,500	$2,707,264,000

Laud Good Neighbor Policy

The Governing Board of the Pan American Union in Washington recently presented to President Roosevelt a resolution commending the Good Neighbor policy. The resolution was signed by the diplomatic representatives in the capital of the 20 Latin-American republics. It was based on a resolution adopted last September by the Cuban Senate, in which the other countries were invited to join.

The resolution, said Washington advices June 30 to the New York "Times," approves the efforts of "President Roosevelt and his collaborators in the formulation of the policy of the United States in obtaining an effective cooperation based on mutual respect and a firm determination to strengthen the relations between the American republics and to promote the present and future prosperity and welfare of each of them."

June Retail Prices Continue Unchanged, According To Fairchild Publications Index

The Fairchild Publications retail price index for July 1 is again at 113.0, the level to which it declined during May. The May decrease occurred as a result of the applications of the Maximum Price Schedule 339, which placed ceiling prices on hosiery. The July 1 index is 0.1% lower than last year at the same time. On July 1, 1942, the index, as a result of the overall price ceilings, reached the level at which it remained constant for eight consecutive months.

The Fairchild announcement on July 15 further said:

"The major groups continue to remain unchanged, with the exception of women's apparel. This group is again affected by slight movements in hosiery and furs. It records an increase of 0.1% as a result of advances in furs which were not quite offset by decreases in hosiery. Piece goods are only one of the five which remain unchanged from last year. Men's apparel and infants' wear increased and women's apparel and home furnishings decreased. Over the 1939 pre-war period, piece goods continue to show the greatest rise and infants' wear the least.

"This month again, the only ones of the individual commodities showing any change from the previous month were women's hosiery and furs. Women's hose declined 1.3% and furs advanced 1.0%. Only three of the items remained unchanged from last year, men's hose, hats and caps, and furniture. Women's hose declined the most, 4.5%, from 1942, furs increased the most, 2.4%. The comparison with the period just preceding the outbreak of hostilities continues to show furs with the greatest advance, 55.1%, and women's shoes with the least, 6.8%.

"With the index at the same level it was last month, the indications are that it will continue to remain comparatively stable in the future, according to A. W. Zelomek, economist under whose supervision the index is compiled. Whatever movements have occurred in the index have been a result of the setting of new price ceilings or the allowance of individual adjustments of the ceiling prices. Quality deterioration is not reflected in the index."

THE FAIRCHILD PUBLICATIONS RETAIL PRICE INDEX

JAN. 3, 1931=100

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	May 1, 1933	July 1, 1942	Apr. 1, 1943	May 1, 1943	Jun 1, 1943	July 1, 1943
Composite Index	69.4	113.1	113.2	113.2	113.0	113.0
Piece Goods	65.1	112.2	112.2	112.2	112.2	112.2
Men's Apparel	70.7	105.1	105.3	105.3	105.3	105.3
Women's Apparel	71.8	112.9	112.7	112.7	112.6	112.7
Infants' Wear	76.4	108.0	108.1	108.1	108.1	108.1
Home Furnishings	70.2	115.6	115.5	115.5	115.5	115.5
Piece Goods						
Silks	57.4	84.9	84.7	84.7	84.7	84.7
Woolens	69.2	108.2	108.0	108.0	108.0	108.0
Cotton Wash Goods	68.6	143.4	143.8	143.8	143.8	143.8
Domestics						
Sheets	65.0	127.0	126.8	126.8	126.8	126.8
Blankets & Comfortables	72.9	134.9	135.0	135.0	135.0	135.0
Women's Apparel						
Hosiery	59.2	94.1	94.1	94.1	91.1	89.9
Aprons & House Dresses	75.5	140.6	140.5	140.5	140.5	140.5
Corsets & Brassieres	83.6	111.3	111.2	111.2	111.2	111.2
Furs	66.8	136.0	135.3	135.5	137.9r	139.3
Underwear	69.2	102.8	102.7	102.7	102.7	102.7
Shoes	76.5	92.5	92.4	92.4	92.4	92.4
Men's Apparel						
Hosiery	64.9	108.1	108.1	108.1	108.1	108.1
Underwear	69.6	114.7	114.8	114.8	114.8	114.8
Shirts & Neckwear	74.3	99.0	99.1	99.1	99.1	99.1
Hats & Caps	69.7	94.3	94.3	94.3	94.3	94.3
Clothing incl. Overalls	70.1	105.1	106.0	106.0	106.0	106.0
Shoes	76.3	109.5	109.6	109.6	109.6	109.6
Infant's Wear						
Socks	74.0	114.4	114.5	114.6	114.6	114.6
Underwear	74.3	103.6	103.7	103.7	103.7	103.7
Shoes	80.9	105.9	106.0	106.0	106.0	106.0
Furniture	69.4	129.2	129.2	129.2	129.2	129.2
Floor Coverings	79.9	146.8	146.9	146.9	146.9	146.9
Radios	50.6	66.8	66.8	66.8	66.8	66.3
Luggage	60.1	94.8	94.7	94.7	94.7	95.7
Electrical Household Appliances	72.5	93.5	93.5	93.5	93.5	93.5
China	81.5	110.7	110.6	110.6	110.6	110.6

NOTE—Composite Index is a weighted aggregate. Major group indexes are arithmetic average of subgroups. r Revised.

Wholesale Commodity Prices Remain Steady During Week Ended July 10, Says Labor Dept.

The U. S. Department of Labor announced on July 15 that the general level of primary market prices for the week ended July 10 remained unchanged from the previous week. For the three preceding weeks average prices had moved steadily downward with a net decline of 1% for the past four weeks. At 103.0% of the 1926 average, the Bureau of Labor Statistics' all-commodity index is at the mid-March level. It is 4.6% higher than during the second week of July last year.

The Department's announcement further stated:

Farm products and foods—Following the decline for three consecutive weeks, markets for farm products averaged 0.1% above the week ended July 3 with higher prices for grains, hogs, cotton and eggs. Lower quotations were reported for cows, sheep and for apples and potatoes in several markets. The level for farm products was 1.3% below a month ago and 19.4% higher than during the second week of July 1942.

"Prices for foods again moved downward for the fourth consecutive week, but at a sharply reduced rate. The average was lower than a month ago by 3.2% and nearly 9% above a year ago. In addition to lower prices for apples and potatoes, price declines were reported for canned tomatoes and smoked hams. Prices for rye and wheat flour averaged slightly higher than a week ago.

"Industrial commodities—Market for industrial commodities continued steady. Metals and metal products declined fractionally as a result of lower prices for hinges following a price adjustment under Office of Price Administration regulations. Quotations for Idaho and Ponderosa pine and Cypress lumber advanced and maple flooring declined. Prices were also lower for plaster and plaster board. Neutral oil in the Pennsylvania area was up over 4% and rosin again advanced."

The following notation is made:

During the period of rapid changes caused by price controls, materials allocation, and rationing the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following table shows index numbers for the principal groups of commodities for the past 3 weeks, for June 12, 1943 and July 11, 1942 and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

						Percentage changes to July 10, 1943 from—		
Commodity groups—	7-10 1943	7-3 1943	6-26 1943	6-12 1943	7-11 1942	7-3 1943	6-12 1943	7-11 1942
All commodities	*103.0	*103.0	*103.1	*104.0	98.5	0	—1.0	+ 4.6
Farm products	*126.0	*125.9	*126.2	*127.6	105.5	+0.1	—1.3	+19.4
Foods	107.3	107.6	108.0	110.9	98.7	—0.3	—3.2	+ 8.7
Hides and leather products	118.4	118.4	118.4	118.4	118.9	0	0	— 0.4
Textile products	96.9	96.9	96.9	96.9	96.8	0	0	+ 0.1
Fuel and lighting materials	81.5	81.5	81.4	81.4	79.5	0	+0.1	+ 2.5
Metals and metal products	*103.8	*103.9	*103.9	*103.9	104.0	—0.1	—0.1	— 0.2
Building materials	110.5	110.4	110.4	110.4	110.3	+0.1	+0.1	+ 0.2
Chemicals and allied products	100.1	100.2	100.2	100.2	97.2	—0.1	—0.1	+ 3.0
Housefurnishing goods	104.3	104.3	104.3	104.3	104.5	0	0	— 0.2
Miscellaneous commodities	91.6	91.6	91.6	91.7	90.0	0	—0.1	+ 1.8
Raw materials	*114.0	*114.0	*114.2	*114.8	99.8	0	—0.7	+14.2
Semimanufactured articles	92.7	92.7	92.7	92.9	92.8	0	—0.2	— 0.1
Manufactured products	*99	*99.7	*99.7	*100.7	98.9	—0.1	—1.1	+ 0.7
All commodities other than farm products	*98.1	*98.1	*98.1	*98.9	97.0	0	—0.8	+ 1.1
All commodities other than farm products and foods	*96.9	96.9	*96.9	*96.9	96.0	0	0	+ 0.9

*Preliminary.

National Steel Ingot Output Again Rises— Plate Production Promises To Set New Record

"A strongly worded complaint against the War Manpower Commission for allegedly creating an 'intolerable' situation in the iron and steel industry with its 48-hour week policies has been drawn up by the management members of the WMC Management-Labor Policy Committee," states the "Iron Age" in its issue of today (July 22), further adding:

"After recording all the steps occurring since late 1942 and revealing correspondence over the 48-hour week in steel, the management members conclude that 'the WMC through its chairman has rejected practically all recommendations and repeated pleadings of the industry; has deferred consistently to recommendations of the United Steelworkers of America union; has created a condition in the iron and steel industry, through ill-advised and needlessly restrictive regulations, that has already caused confusion and disruption among employers and employees, that has already contributed to loss of production and that will be of serious detriment to steel production if these regulations are carried out literally.'

"WMC, according to the management members, has indicated awareness of the dangers in the situation and is now endeavoring to make corrections by 'practical administration of an impractical regulation instead of through prompt and straightforward amendment of the defective General Order No. 8.' The management members say WMC is 'determined to run the risks of this hazardous course unless and until losses of steel production or other developments detrimental to the war effort clearly demonstrate and make obvious the necessity for change.'

"The management members charge that employer-employee relationships have been disturbed contrary to established collective bargaining agreements in the iron and steel industry. They conclude that 'this committee is obligated to initiate considerations that will lead to correction of conditions under General Order No. 8 and preclude similar developments in other areas of activities.'

"Meanwhile, the wartime industrial front in the United States is more active after a temporary recession. The smashing success of the Allied attacks in Sicilly, result of remarkable planning, has benefited industrial morale, steel production is stronger following the return of the majority of coal miners, and hopes are brighter that Congress may permit the retention of reasonable post-war reserves by industries out of their profits.

"The third week of the 'Share the Steel Drive' shows recovery of approximately 300,000 net tons of steel through cancellations reported to WPB. The tonnage is broken down into about 270,000 tons of carbon and 30,000 tons of alloy steel. While the drive on inventories is half through, real figures on cancellations will not be available for some time because WPB has only 3,000 or 4,000 consumers reporting out of 35,000 estimated by the WPB Steel Division. The response of consumers is considered remarkable.

"Despite the fact that steel remains tight, the WPB requirements committee is going to allot to the Office of Civilian Requirements the major portion of 143,000 tons of steel for making vitally needed civilian goods. Sufficiently high urgency ratings and allotment numbers are going to be given to prevent the military demand killing off the allotment."

The American Iron and Steel Institute on July 19 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.3% of capacity for the week beginning July 19, compared with 97.0% one week ago, 97.6% one month ago and 98.0% one year ago. This represents an increase of 1.3 points, or 1.3% from the preceding week. The operating rate for the week beginning July 19 is equivalent to 1,702,200 tons of steel ingots and castings, compared to 1,679,700 tons one week ago, 1,690,100 tons one month ago, and 1,676,500 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on July 19 stated in part as follows: "Hope that may have been entertained that additional steel would be available this year for civilian use has been extinguished by the heavy load imposed on mills for war purposes.

"In spite of cutbacks and adjustments, which caused some cancellations, no capacity has been opened up for civilan steel and the gaps have been filled immediately by other war needs. Some plate mills now are booked solidly for the remainder of the year and indications are that by the end of July all will be. Navy specifications, after a slow start, have been placed in large volume for fourth quarter and also to some extent for first quarter. As orders are entered in the order of their receipt much of the Navy steel probably will be delivered late in the quarter. Construction programs will not be affected, as steel for a ship is specified usually five months in advance for cargo ships and the program for 20,000,000 tons of deadweight cargo ships for 1943 probably will be fully met.

"Pressing need of railroads for steel to maintain rolling stock efficiency is being recognized and relief appears likely in fourth quarter to prevent breakdown of carrier service. Locomotives are most needed. Most motive power units now being built are for American forces abroad and for lend-lease, all at the expense of domestic needs.

"Some estimates of plate production for 1943, based on first half performance and considering additional facilities which may be completed by fourth quarter, are set as high as 13,340,000. tons. This would compare with 11,543,000 tons made for sale in 1942. It does not appear likely that any steel will be diverted from plates to other products in the present readjustment and shipuilding promises to continue its heavy demands. Some easing in plates for gasoline and rubber installations is possible."

CIO Campaigns to Make Congress Pro-Labor

The Congress of Industrial Organizations has called on its affiliated unions throughout the country to devote their full energies to the campaign "to change the present anti-labor Congress into a pro-labor win-the-war Congress."

Philip Murray, President of the CIO, made public on July 18 a letter sent out by a special committee appointed by him to organize the drive. The letter states that the basic job "is organization for political action in each separate Congressional district." This machinery is designed to make every CIO member and resident in the district fully aware of the Congressmen's record and to bring the weight of this public opinion home to them.

The drive will be pressed before the Congressmen return to Washington from their summer recess, with activities ending with demonstrations and rallies on Labor Day.

The issues to be emphasized in the campaign will include the cost of living, price rollbacks, taxation, social security, repeal of the poll tax and "an end to labor-baiting."

The CIO on July 19 advised its affiliates that they can give money for political activities provided they don't make direct financial contributions to Federal candidates during general election campaigns.

In an analysis of the Smith-Connally anti-strike bill, which was passed over President Roosevelt's veto, Leo Pressman, CIO General Counsel, asserted "unions can give money, time and energy, provided the money is spent directly by such labor organizations and not by agreement or pre-arrangement with the candidates or their political parties or their political committees."

A restriction on contributions by labor organizations to Federal election campaigns was included in the anti-strike bill.

Revenue Freight Car Loadings During Week Ended July 10, 1943 Decreased 43,476 Cars

Loading of revenue freight for the week ended July 10, 1943, which included July 4th holiday, totaled 808,630 cars, the Association of American Railroads announced on July 15. This was a decrease below the corresponding week of 1942 of 46,528 cars, or 5.4%, and a decrease below the same week in 1941 of 67,512 cars, or 7.7%.

Loading of revenue freight for the week of July 10 decreased 43,476 cars, or 5.1% below the preceding week.

Miscellaneous freight loading totaled 348,803 cars, a decrease of 38,107 cars below the preceding week, and a decrease of 35,557 cars below the corresponding week in 1942.

Loading of merchandise less than carload lot freight totaled 89,574 cars, a decrease of 11,022 cars below the preceding week, but an increase of 869 cars above the corresponding week in 1942.

Coal loading amounted to 164,803 cars, an increase of 19,605 cars above the preceding week, and an increase of 5,976 cars above the corresponding week in 1942.

Grain and grain products loading totaled 54,809 cars, a decrease of 5,670 cars below the preceding week, but an increase of 1,300 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of July 10 totaled 42,992 cars, a decrease of 3,392 cars below the preceding week but an increase of 3,965 cars above the corresponding week in 1942.

Livestock loading amounted to 11,150 cars, a decrease of 607 cars below the preceding week, but an increase of 802 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of July 10 totaled 7,689 cars, a decrease of 511 cars below the preceding week, but an increase of 446 cars above the corresponding week in 1942.

Forest products loading totaled 37,226 cars, a decrease of 7,392 cars below the preceding week and a decrease of 13,808 cars below the corresponding week in 1942.

Ore loading amounted to 89,309 cars, a decrease of 383 cars below the preceding week and a decrease of 4,728 cars below the corresponding week in 1942.

Coke loading amounted to 12,956 cars, an increase of 100 cars above the preceding week, but a decrease of 1,382 cars below the corresponding week in 1942.

All districts reported decreases compared with the corresponding week in 1942, except the Pocohontas and all districts reported decreases compared with 1941 except the Pocohontas & Southeastern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
4 weeks of April	3,136,253	3,350,996	2,793,630
5 weeks of May	4,149,708	4,170,548	4,160,060
4 weeks of June	3,151,146	3,385,655	3,510,057
Week of July 3	852,106	753,740	740,359
Week of July 10	808,630	855,158	876,142
Total	21,757,758	22,672,299	21,467,233

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended July 10, 1943. During this period 47 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS)—WEEK ENDED JULY 10

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	190	378	601	1,455	1,145
Bangor & Aroostook	915	1,072	985	214	200
Boston & Maine	5,096	5,696	8,611	13,352	12,993
Chicago, Indianapolis & Louisville	1,321	1,359	1,467	1,875	1,788
Central Indiana	23	21	49	32	55
Central Vermont	908	911	1,489	2,397	2,413
Delaware & Hudson	6,596	6,259	7,053	11,656	10,152
Delaware, Lackawanna & Western	7,285	7,492	9,830	12,017	9,155
Detroit & Mackinac	217	227	419	124	134
Detroit, Toledo & Ironton	1,920	1,641	2,745	1,270	1,101
Detroit & Toledo Shore Line	284	259	379	2,307	2,437
Erie	11,681	12,844	14,974	18,089	14,977
Grand Trunk Western	3,301	3,286	6,063	7,797	7,763
Lehigh & Hudson River	150	168	194	2,181	2,937
Lehigh & New England	1,893	2,164	2,403	1,510	1,895
Lehigh Valley	8,063	9,081	9,589	15,011	11,585
Maine Central	1,840	2,135	3,253	2,064	2,277
Monongahela	5,439	6,253	5,719	410	364
Montour	2,222	2,396	2,340	155	28
New York Central Lines	52,349	46,361	51,555	49,164	50,350
N. Y., N. H. & Hartford	8,193	9,997	11,664	18,369	17,963
New York, Ontario & Western	1,305	969	1,068	2,537	2,577
New York, Chicago & St. Louis	6,135	7,243	6,974	15,798	15,758
N. Y., Susquehanna & Western	467	421	425	2,112	1,293
Pittsburgh & Lake Erie	6,640	7,684	8,394	8,692	8,458
Pere Marquette	4,176	5,175	6,849	7,002	5,582
Pittsburg & Shawmut	987	662	651	16	34
Pittsburg, Shawmut & North	377	365	434	317	221
Pittsburgh & West Virginia	1,055	1,128	1,131	3,133	3,221
Rutland	311	372	564	925	1,086
Wabash	4,547	5,704	6,886	12,644	11,736
Wheeling & Lake Erie	5,672	5,644	5,790	4,993	4,731
Total	151,558	155,367	180,548	219,618	206,409
Allegheny District—					
Akron, Canton & Youngstown	720	616	792	1,086	1,013
Baltimore & Ohio	39,483	43,216	40,776	30,514	26,015
Bessemer & Lake Erie	6,355	6,261	7,422	1,652	2,256
Buffalo Creek & Gauley	214	311	226	4	2
Cambria & Indiana	1,623	2,006	1,994	9	5
Central R. R. of New Jersey	6,389	7,168	8,108	20,494	17,977
Cornwall	686	627	712	43	50
Cumberland & Pennsylvania	244	278	277	13	13
Ligonier Valley	177	139	140	38	44
Long Island	973	819	688	3,676	3,274
Penn-Reading Seashore Lines	1,575	1,508	1,559	2,977	2,367
Pennsylvania System	80,392	81,850	86,303	63,039	58,427
Reading Co.	13,012	14,088	16,173	24,433	26,445
Union (Pittsburgh)	19,230	21,362	20,195	7,776	7,139
Western Maryland	3,967	4,099	3,805	11,164	10,902
Total	175,040	184,348	189,175	166,918	155,929
Pocahontas District—					
Chesapeake & Ohio	29,242	27,168	27,573	12,913	10,928
Norfolk & Western	22,098	22,448	23,053	7,805	6,196
Virginian	4,864	4,603	4,868	2,097	1,826
Total	56,204	54,219	55,494	22,815	18,950
Southern District—					
Alabama, Tennessee & Northern	289	380	366	377	359
Atl. & W. P.—W. R. R. of Ala.	559	692	803	2,439	3,033
Atlanta, Birmingham & Coast	735	949	1,049	1,006	972
Atlantic Coast Line	11,247	9,842	9,197	8,650	8,132
Central of Georgia	3,512	4,421	4,567	3,939	3,726
Charleston & Western Carolina	389	454	701	1,648	1,327
Clinchfield	1,558	1,548	1,662	2,585	2,378
Columbus & Greenville	314	340	327	152	252
Durham & Southern	75	126	181	678	809
Florida East Coast	1,219	924	421	1,500	923
Gainesville Midland	38	34	36	91	199
Georgia	1,001	1,490	1,149	3,132	2,565
Georgia & Florida	421	409	414	493	389
Gulf, Mobile & Ohio	3,379	4,246	3,748	3,786	4,198
Illinois Central System	24,304	26,212	24,919	17,526	16,010
Louisville & Nashville	24,442	23,347	23,400	10,863	9,550
Macon, Dublin & Savannah	165	174	207	597	736
Mississippi Central	257	170	190	398	613
Nashville, Chattanooga & St. L.	2,839	3,344	3,382	4,279	4,132
Norfolk Southern	2,557	1,521	1,620	1,271	1,994
Piedmont Northern	253	299	423	1,298	1,134
Richmond, Fred. & Potomac	360	644	424	9,373	8,499
Seaboard Air Line	9,095	9,739	9,452	7,518	8,731
Southern System	19,466	23,203	24,253	21,655	21,737
Tennessee Central	568	516	561	725	879
Winston-Salem Southbound	101	79	114	702	865
Total	109,143	115,103	113,566	106,681	104,142
Northwestern District—					
Chicago & North Western	18,588	22,995	22,238	12,851	12,970
Chicago Great Western	2,133	2,020	2,761	3,232	2,968
Chicago, Milw., St. P. & Pac.	16,034	19,344	23,611	8,837	9,195
Chicago, St. Paul, Minn. & Omaha	3,197	3,109	4,132	3,256	3,287
Duluth, Missabe & Iron Range	31,291	30,798	25,893	352	406
Duluth, South Shore & Atlantic	1,010	1,337	1,207	536	635
Elgin, Joliet & Eastern	8,166	10,035	10,899	10,976	9,182
Ft. Dodge, Des Moines & South	376	575	535	79	111
Great Northern	24,921	29,411	26,867	5,226	5,712
Green Bay & Western	346	450	631	880	721
Lake Superior & Ishpeming	2,892	2,859	3,087	55	48
Minneapolis & St. Louis	1,421	2,042	2,242	1,909	2,402
Minn., St. Paul & S. S. M.	7,038	8,156	8,275	2,710	3,547
Spokane International	9,070	11,207	11,278	5,130	5,568
Northern Pacific	114	220	358	539	597
Spokane, Portland & Seattle	1,696	2,618	2,787	2,487	3,133
Total	128,293	147,176	146,801	59,055	60,482
Central Western District—					
Atch., Top. & Santa Fe System	23,485	28,072	28,885	11,104	10,476
Alton	3,289	3,096	3,856	4,343	3,931
Bingham & Garfield	369	673	750	96	125
Chicago, Burlington & Quincy	17,730	17,517	18,844	11,609	11,767
Chicago & Illinois Midland	2,736	2,426	2,193	843	767
Chicago, Rock Island & Pacific	12,314	14,773	15,020	11,309	12,442
Chicago & Eastern Illinois	2,382	2,277	2,855	5,684	3,704
Colorado & Southern	623	713	752	1,831	1,650
Denver & Rio Grande Western	2,731	3,306	2,680	5,391	5,000
Denver & Salt Lake	672	641	585	14	25
Fort Worth & Denver City	1,000	1,247	1,430	1,595	1,322
Illinois Terminal	1,581	1,601	2,073	1,571	1,954
Missouri-Illinois	1,042	1,330	1,144	459	522
Nevada Northern	2,076	1,973	2,038	119	120
North Western Pacific	746	1,039	876	585	577
Peoria & Pekin Union	5	15	50	---	---
Southern Pacific (Pacific)	28,726	30,502	31,157	12,500	9,276
Toledo, Peoria & Western	208	300	345	1,726	1,295
Union Pacific System	14,541	14,754	16,773	16,706	12,040
Utah	509	557	241	6	1
Western Pacific	1,944	2,378	1,626	3,598	3,686
Total	118,709	129,190	134,173	91,089	80,680
Southwestern District—					
Burlington-Rock Island	402	168	197	229	224
Gulf Coast Lines	4,830	3,659	2,653	2,802	1,915
International-Great Northern	2,351	2,526	1,939	2,716	2,572
Kansas, Oklahoma & Gulf	258	323	196	1,127	1,100
Kansas City Southern	5,409	5,202	2,492	3,250	2,556
Louisiana & Arkansas	3,553	4,330	1,937	2,959	2,398
Litchfield & Madison	369	288	352	1,555	1,156
Midland Valley	696	621	506	270	179
Missouri & Arkansas	155	183	179	461	351
Missouri-Kansas-Texas Lines	5,285	5,254	5,009	6,057	4,407
Missouri Pacific	17,436	18,633	18,436	17,643	19,257
Quanah Acme & Pacific	71	63	163	208	191
St. Louis-San Francisco	7,865	9,053	8,712	9,414	7,673
St. Louis Southwestern	2,577	2,676	2,412	7,115	7,099
Texas & New Orleans	13,512	11,431	7,150	5,871	4,661
Texas & Pacific	4,813	5,162	3,860	6,520	8,367
Wichita Falls & Southern	77	120	177	49	30
Weatherford M. W. & N. W.	24	63	15	36	21
Total	69,683	69,755	56,385	68,282	64,157

Note—Previous year's figures revised.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity	
				Current	Cumulative
Apr. 3	172,412	153,030	511,220	85	90
Apr. 10	153,260	153,006	510,784	95	91
Apr. 17	164,805	152,494	515,700	96	92
Apr. 24	159,231	155,163	517,473	97	92
May 1	147,212	135,924	525,287	89	92
May 8	165,871	153,934	522,336	96	92
May 15	177,968	151,653	561,571	96	93
May 22	142,673	152,960	548,911	96	93
May 29	151,308	150,504	545,673	95	93
Jun. 5	168,051	141,337	565,291	92	93
Jun. 12	172,437	149,675	586,183	97	93
Jun. 19	136,166	142,865	561,945	95	93
Jun. 26	133,808	145,324	547,301	96	93
July 3	179,835	144,232	580,683	92	93
July 10	111,912	100,115	573,342	69	93

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

June Cotton Consumption

Under date of July 15, 1943, the Census Bureau at Washington issued its report showing cotton consumed in the United States, cotton on hand and active cotton spindles in the month of June.

In the month of June, 1943, cotton consumed amounted to 916,789 bales of lint and 96,956 bales of linters, as compared with 901,608 bales of lint and 98,790 bales of linters in May, 1943, and 967,523 bales of lint and 126,782 bales of linters in June, 1942.

For the eleven months ending with June 30, cotton consumption was 10,258,808 bales of lint and 1,193,874 bales of linters against 10,175,554 bales of lint and 1,365,551 bales of linters in the same eleven months a year ago.

There were 2,222,391 bales of lint and 472,787 bales of linters on hand in consuming establishments on June 30, 1943, which compares with 2,321,130 bales of lint and 470,092 bales of linters on May 31, 1943 and with 2,443,069 bales of lint and 480,392 bales of linters on June 30, 1942.

On hand in public storage and at compressers on June 30, 1943, there were 8,549,749 bales of lint and 67,317 bales of linters, and 9,668,820 bales of lint and 74,883 bales of linters on May 31, 1943, and 8,456,927 bales of lint and 122,257 bales of linters on June 30, 1942.

There were 22,777,328 cotton spindles active during June, 1943, which compares with 22,788,058 active cotton spindles during May, 1943, and with 23,094,560 active cotton spindles during June, 1942.

Revenue Freight Ton-Miles Up 21.8% in First Six Mos.

Railroads of Class I in the United States handled about 22% more ton-miles of revenue freight in the first six months of 1943 than was handled in the corresponding period of 1942, according to a preliminary estimate prepared by the Association of American Railroads and made public July 22.

In the first six months of 1943, Class I railroads performed 68% more revenue ton-miles of service than in the same period of 1941, 104% more than during the first half of 1940, and 143% more than during the first six months of 1939.

The following table summarizes revenue ton-mile statistics for the first six months of 1943 and 1942.

REVENUE TON-MILE OF FREIGHT
(000 Omitted)

	1943	1942	% inc.
First 4 mos.	229,863,978	182,014,772	26.3
Mo. of May	*62,500,000	54,270,231	15.2
Mo. of June	†61,000,000	53,852,328	13.3
Tot. 6 mos.	353,363,978	290,137,331	21.8

* Revised estimate. † Preliminary estimate.

Lumber Movement—Week Ended July 10, 1943

According to the National Lumber Manufacturers Association lumber shipments of 467 mills reporting to the "National Lumber Trade Barometer" were 9.1% below production for the holiday week ended July 10, 1943. In the same week new orders of these mills were 21.0% greater than production. Unfilled order files in the reporting mills amounted to 107% of stocks. For reporting softwood mills, unfilled orders are equivalent to 41 days' production at the current rate, and gross stocks are equivalent to 35 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 11.4%; orders by 15.6%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 18.9% greater; shipments were 14.5% greater, and orders were 30.1% greater.

Items About Banks, Trust Companies

The Federal Reserve Bank of New York announced on July 16 that Michael J. McLaughlin has been appointed Manager of its Accounting Department. Mr. McLaughlin was formerly chief of the Department's disbursing division.

Manufacturers Trust Company of New York has announced the following promotions:

Henry W. Becker, Assistant Vice-President in Charge of the office at 407 Broadway, New York, has been elected a Vice-President.

Frederick G. Sinclair, Assistant Vice-President in Charge of the office at 130 Fifth Avenue, New York, has been elected a Vice-President.

Ronald L. Hellen, Assistant Secretary in Charge of the office at 84 Broadway, Brooklyn, has been elected an Assistant Vice-President.

Edmund W. Madden, Assistant Secretary at the office at 209 Montague Street, Brooklyn, has been elected an Assistant Vice-President.

The condition statement of the Central Hanover Bank and Trust Co., New York, as of June 30, 1943, shows total deposits of $1,432,945,843 and total resources of $1,542,818,850, compared with $1,422,819,363 and $1,530,631,276, respectively, on March 31. Cash on hand and due from banks amounts to $295,160,610, against $389,287,059; holdings of United States Government securities to $941,132,087, compared with $848,039,502, and loans and bills purchased to $242,949,006, against $219,323,009. Capital and surplus are unchanged at $21,000,000 and $60,000,000, respectively, and undivided profits on June 30 were $20,239,673, against $19,924,527 on March 31.

Eugene W. Stetson, President of the Guaranty Trust Company of New York, announced cn July 19 the appointment as Vice-Presidents of Arthur C. Vogt, Frederick S. Parker, and William R. Strelow; and the appointment as Assistant Treasurers of John D. C. Towne, Jr., John V. Hendricks, and William W. Pevear.

Mr. Vogt has been with the Guaranty for 26 years, and has had long experience in Banking Department operations. He entered the Company as a clerk in the Bookkeeping Division in May, 1917, served later in the Loan Division, and since 1925 has been identified with the Collection Division. He was appointed an Assistant Secretary in 1928, Assistant Treasurer in 1933, and Second Vice-President in 1940. The announcement states:

"Mr. Vogt entered the banking field, to which he has devoted his subsequent career exclusively, in 1911, as a messenger with the Chatham & Phenix National Bank. He was with that institution for five years and with the Union Exchange Bank for a year before joining the Guaranty.

"Through his Collection Department experience, as well as through extensive personal research and his studies at New York University, Mr. Vogt has acquired wide practical knowledge of the Negotiable Instruments Law, and he has written much on the subject and spoken before many organizations. He has also for a number of years conducted a course on negotiable instruments for the New York Chapter, American Institute of Banking, and is serving as a member of the local chapter's board of governors. He has held various offices, including that of chairman, in the Bank Management Conference of New York City, and three years ago made an extended trip abroad as the only American delegate to a meeting of the Commission on Banking Technique and Commercial Documentary Credits of the International Chamber of Commerce, held in Paris.

"Mr. Parker has been associated with the Guaranty Trust Company since 1919, and for two years prior to that was with the National Bank of Commerce, which was later merged with the Guaranty. He served with the Foreign Department during his early years with the Company, and for the last 19 years first, as Assistant Treasurer, and since 1935 as Second Vice-President, he has been identified with the Personal Division of the Banking Department.

"Mr. Parker started in 1907 with the Merchants National Bank of Worcester and later became head of the Loan and Foreign departments of that institution. He organized the American Institute of Banking Chapter in Worcester, and since coming to New York in 1917 has maintained an active interest in the chapter here, from which he was graduated in 1922.

"Mr. Strelow joined the staff of the Guaranty Trust Company in 1917 and has been associated with the Foreign Department during his entire period of service. He was on leave of absence for a year during the last war as a member of the Army Medical Corps. He was appointed an Assistant Secretary of the Company in 1926, Assistant Manager of the Foreign Department in 1929, and Second Vice-President in 1939. Mr. Strelow is a director of the National Council of American Importers."

On Monday, July 19, the Hudson Street Branch of The National City Bank of New York opened its new and larger quarters on the ground floor of the Borden Building, 108 Hudson Street. The Branch, formerly located on the opposite corner—Hudson at Franklin Street—has for 15 years specialized in serving the banking needs of wholesalers, distributors, commission agents and importers and exporters of food products in this important section of the city. The Branch will now provide safe deposit facilities in addition to other complete banking facilities.

The Emigrant Industrial Savings Bank, New York City, announced on July 16 that William T. Bodmer had been appointed an assistant Vice-President. Mr. Bodmer joined the bank in 1930 and has been in charge of mortgages for it in Brooklyn, Richmond and Long Island.

Edward Everett Watts, Jr., a partner in the law firm of Mitchell, Capron, Marsh, Angulo & Cooney, and Secretary of the Legal Aid Society, has been elected a Trustee of the Broadway Savings Bank, New York City. His father, Edward Everett Watts, is President of the institution.

At a meeting of the Board of Directors of the State Street Trust Company of Boston, on July 19, Edward A. Bullard was elected Assistant Treasurer. Mr. Bullard is a graduate of Huntington School of Boston and Lowell Textile Institute. He joined the staff of the bank in 1929 and for some years devoted most of his time to the operations of the trust department, and is now in charge of Ration Banking accounts and assistant to the Vice-President in charge of personnel and operations.

Arthur Barrett, President of the Bellevue Savings and Trust Co., Bellevue, Pa., has been elected Chairman of the Board and Guy P. Porter, who had been Secretary and Treasurer, has been elected President. Other changes in the bank's staff follow:

T. V. Armstrong, from Assistant Secretary and Assistant Treasurer, to Secretary and Treasurer; S. H. Garvin, from Assistant Trust Officer, to Trust Officer and Assistant Secretary and Assistant Treasurer, and George C. Meyer was named Auditor.

The board of directors of Mid-City Bank & Trust Company, of Philadelphia, has announced the election of Dr. William D. Gordon as President, James D. Henderson, Jr. as Executive Vice-President and Thomas P. Cleary to membership on the board of directors. Mr. Henderson has been serving as Vice President and Mr. Cleary is Secretary and Assistant Trust Officer of the bank.

Dr. Gordon replaces Frank J. McGlinn who resigned as President because of ill health. Dr. Gordon has been serving as Chairman of the board since January and will continue in that capacity as well as President. He was formerly Secretary of Banking of the Commonwealth of Pennsylvania, having served in the cabinet of Governor Pinchot from 1931 to 1935 during the banking crisis. He is Executive Vice-President and Treasurer of City Stores Co. which operates a chain of department stores in various large cities, and President of Transit Investment Corp. He was appointed a full Professor in the Wharton School of Finance and Commerce, University of Pennsylvania in 1926 where he has been serving continuously on the faculty. Dr. Gordon is also a director of 12 large corporations.

The Harris Trust and Savings Bank, Chicago, reports as of June 30, 1943, total assets of $445,597,445 and total deposits of $418,296,022, as compared with $421,207,216 and $393,957,203 on March 26, 1943. Cash on hand and due from banks is listed at $103,680,055, against $98,222,414 three months ago; holdings of U. S. Government bonds and notes, including Treasury bills and certificates, is reported at $170,740,946, compared with $160,576,429, loans and discounts, to $84,365,366 against $79,472,547. Capital and surplus is unchanged from three months ago at $6,000,000 and $9,000.000, but undivided profits now total $4,806,484, compared with $4,644,966 on March 26.

The National Bank of Detroit reports in its statement of condition as of June 30, 1943, total resources of $1,073,494.906 and total deposits of $1,028,809,792, compared with $1,036,191,769 and $994,143,425, respectively, on Dec. 31, 1942. Cash and due from banks is given at $296,436,261, against $357,910,697 six months ago; holdings of U. S. Government obligations to $612,148,705, compared with $511,106,478; total loans, $103,661,995, against $102,409,796. The only change in the capital account from six months ago is in undivided profits, which amounted to $7,435,220 on June 30, as against $6,414,925 on Dec. 31. Preferred stock remains at $8,500,000, common stock at $10,000,000, and surplus at $11,500,000.

The report of condition of the Manufacturers National Bank of Detroit at the close of business June 30, 1943, shows total assets of $403,960,653 and total deposits of $392,631,358, compared with $339,933.343 and $329,243,452, respectively, on Dec. 31, 1942. Holdings of U. S. Government obligations are $249,275,918 in the current statement, against $176.483,301; cash items total $97,479,603, compared with $112,435,107, and loans and discounts (including overdrafts) amount to $43,197,033, against $33,556,441. Capital stock and surplus are unchanged from six months ago at $3,000.000 and $5,000,000, respectively, while undivided profits on June 30 totaled $1.921,759, compared with $1,496,295 on Dec. 31, 1942.

The Board of Directors of the First National Bank of St. Louis has announced the following promotions: William C. Tompkins, formerly Auditor, elected Comptroller and Auditor; R. D. Kerr, formerly Assistant Vice-President, was elected Vice-President, and George F. Engel, formerly manager of industrial service department, was elected manager, industrial service and defense loan department.

Directors of the Central Bank of Oakland, Calif., have elected Frank N. Belgrano, Jr., to the Presidency of the bank in succession to Carl F. Wente, who has been appointed Senior Vice President of the Bank of America. Mr. Belgrano, in 1916, was employed a few months on the staff of the Bank of California, then moved to the First National Bank, San Francisco, where he served in the transit, auditing, collections and note departments. In 1917 he left to enlist as a private in the U. S. Army, served a year and a half in the Field Artillery, and emerged as a lieutenant. After his discharge from the Army he joined the Fugazi bank, became Assistant Cashier and office manager at the head office, was promoted to Vice-President and Cashier, and when the bank was consolidated with the United Bank & Trust Company he was made executive Vice-President and Comptroller. Later, when the United Bank became a part of the Bank of America statewide system he was retained as Vice-President. In 1930, he was made President of the Pacific National Fire Insurance Co.

He is a second generation California banker, his father having been President of the Fugazi bank, and Vice Chairman of the Board of United Bank & Trust Company at the time of his death in 1928. Among his other financial connections he is Vice-President and director of Occidental Life Insurance Co. of California and chairman of the board of Pacific National Fire Insurance Co.

Carl F. Wente, widely known California banker, has been appointed Senior Vice-President of the Bank of America, National Trust & Savings Association, of San Francisco, according to L. M. Giannini, President of the bank.

He will work closely with President Giannini in directing the affairs of the institution, it was stated. Mr. Wente has been President of the Central Bank of Oakland, Calif., since 1937, the institution in which he began his career as a "runner" after graduating from schools in Livermore in 1907. A few months after his initiation into banking with the Oakland institution he returned to Livermore and joined the staff of the local First National Bank and worked up to the position of Assistant Cashier. In 1918, he joined the Bank of America statewide organization, going first to the branch in Madera, then to Visalia, Fresno, Modesto, and Stockton, accumulating experience in all departments of banking and advancing steadily until he was made Supervisor of Credits for the entire Bank of America system.

On June 1, 1934, he became President of the First National Bank of Nevada, and three years later was called to Oakland to assume the Presidency of the Central Bank. Mr. Wente has given many years of support to the California Bankers Association, having served as a member of the Executive Council, as group President, and as Chairman of the Public Relations Committee. During the past year he has been a member of the advisory council of the Bank of America.

He is succeeded as President of the Central Bank by Frank N. Belgrano, Jr., who has been prominently identified with banking in California for many years and has been President of Pacific National Fire Insurance Company since 1930. Mr. Belgrano also achieved national prominence in American Legion circles and was National Commander for the 1934-35 term.

Carl P. Smith, Vice-President and Trust Officer and member of the board of directors of Citizens National Trust & Savings Bank of Los Angeles, Calif., died on July 12 at his home in Santa Monica, from the effects of a cerebral hemorrhage. Mr. Smith was born at Del Norte, Colorado, May 11, 1882, and spent many years in the railroad business, being closely associated with the late J. Ross Clarke who built the Los Angeles & Salt Lake RR. When the Salt Lake road was merged with the Union Pacific, Mr. Smith was made Assistant General Manager of the latter system. He resigned from that position to join the bank's trust department in February, 1924. Shortly thereafter he became Assistant Trust Officer, was elected Vice-President-Trust Officer in 1938, and on September 14, 1942, was elected to the Board of Directors. He was a member of the state bar of California for many years.

Illinois Bankers Plan Activities

The plans for the general activities of the Illinois Bankers Association for the current Association year were announced on July 12 by George R. Boyles, President. The several committees will hold their initial meetings during the last week of August at which time they will formulate their plans for research and development for the balance of the year. These committees consist of:

Committee on Agriculture: Ben G. Hoyle, Chairman, Farmers State Bank, McNabb; S. H. Herr, Vice-Chairman, Citizens Bank, Chatsworth; Committee on Bank Management: James W. Luke, Chairman, Commercial Merchants National Bank & Trust Co., Peoria; Clarence A. Beutel, Vice-Chairman, South East National Bank, Chicago; Committe on Crime Prevention and Insurance: Louis F. Gumbart, Chairman, Union National Bank, Macomb; Harold J. Bacon, Vice-Chairman, Home State Bank, Crystal Lake; Committee on Education and Public Relations: B. J. Schwoeffermann, Chairman, Citizens National Bank, Chicago Heights; John B. Lee, Vice-Chairman, Harrisburg National Bank, Harrisburg; Committee on Legislation: Harold Eckhart, Chairman, Harris Trust & Savings Bank, Chicago; Eugene Abegg, Vice-Chairman, Illinois National Bank & Trust Co., Rockford; Committee on Membership: Floyd M. Condit, Chairman, First National Bank, Beardstown; Bernard J. Maiworm, Vice-Chairman, Continental Illinois National Bank and Trust Co., Chicago.

The advices from the Association also state:

At the recent meeting of the Council of Administration those present were unanimously of the opinion that the ten Groups should hold their annual meetings this fall. The schedules of these meetings cannot be announced as the places are to be determined by the several Group Presidents. However, it can be announced that the Groups in the northern half of the State will meet during the week of Oct. 4 and those in the southern half during the week of Oct. 18. Chicago District, Group One, will hold its meeting the latter part of that month.

The annual convention will be held at the Palmer House in Chicago, May 24, 25 and 26, 1944. No definite plans, as yet, have been made for the convention as those details were left to the Executive Committee which will take into consideration conditions existing at that time.